DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

THIRD SESSION—TWENTIETH PARLIAMENT

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11 GEORGE VI, 1947

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TO THE SECOND DAY OF JULY, 1947, INCLUSIVE

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1948

CANADA

House of Commons Debates

OFFICIAL REPORT

Wednesday, June 11, 1947

The house met at 3.30 o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

BRIEF SUBMITTED TO CABINET BY ALBERTA AND SASKATCHEWAN FARMERS

Mr. BURTON:

1. Has the government given further consideration to the requests made by the Alberta farmers' union and the United Farmers of Canada (Saskatchewan section), in their brief presented to the cabinet in August, 1946?

2. If so, what action has been taken with respect to items one, two and three of the above-mentioned brief?

Mr. GARDINER: I can best answer this orally. As to part 1, a full reply was given later to the brief which was presented in August of last year, and subsequently a committee representing the farm organizations came to Ottawa. There was oral consideration of the request made, and it was agreed—at least if not agreed it was admitted—that an effort had been made to meet the situation which was presented in the brief. Since that time there has been no necessity for further consideration other than the carrying out of the undertaking under the Agricultural Prices Support Act. With respect to part 2 of the question, the explanation I have given covers items one, two and three of the brief.

Mr. SPEAKER: Answered.

WEATHER STATIONS

Mr. McKAY:

1. How many weather stations have been established in Canada's northern territories since V-E day?

2. Has any foreign country assisted the Dominion of Canada financially in the setting up of these stations? If so, to what extent?

3. Where are these weather stations located?

4. Under what department of government are they operated?

5. How many Canadian personnel are involved in their operation?

Mr. McILRAITH:

In so far as the Department of Transport is concerned:

1. Two, one at Baker Lake, the other at Eureka Sound.

2. In the case of the station at Eureka Sound, the Canadian government is supplying the officer-in-charge, one half of the personnel, and the food supplies for these personnel. The United States weather bureau is supplying the remaining half of the personnel until sufficiently trained Canadian staff are available, together with their food supplies, and additional supplies and technical equipment. The United States also furnish the necessary transportation for the establishment of this station which is now in operation.

3. The Eureka Sound station is at 80°13'N. 86°11'W. The other station is at Baker Lake, 64°18'N. 96°5'W.

4. The Department of Transport is responsible for the operation of the Eureka Sound station and for the weather programme at Baker Lake. The weather programme at Baker Lake is actually performed by R.C.C.S. personnel of the Department of National Defence.

5. There are three at Eureka Sound, five at Baker Lake.

ROAD FROM ALASKA HIGHWAY TO YUKON-B.C. BORDER

Mr. ARCHIBALD:

1. Have tenders been called for the building of a road into Atlin, British Columbia, from the Alaska highway to the Yukon-British Columbia border?

2. If so, what are the names of those submitting tenders and what was the price of each tender?

3. To whom was the contract awarded?

Mr. McILRAITH:

1. No.

2. Answered by No. 1.

3. Answered by No. 1.

FARM LABOUR

Mr. HEON:

1. Is there an agreement between Canada and the United States with respect to the recruiting of Canadian farm labour for the United States?

2. If so, what is the nature and extent of this agreement?

3. How many Canadian farm labourers have gone to the United States per province for each year since 1940?

Mr. MITCHELL:

1. Yes.

2. Arrangements were originally made in 1941, following the drawing up of the Hyde Park agreement of April 20 of that year. These arrangements, which provided for the exchange of seasonal agricultural labour and equipment between Canada and the United States, have been continued each succeeding year through an exchange of notes between the respective departments of state.

The purpose of these movements is to facilitate the exchange of workers mainly between adjacent areas of the United States and Canada and to take advantage of labour which may be available due to seasonal variation between the two countries.

Arrangements for these movements are dealt with in Canada under the dominion-provincial farm labour programme. Care is taken to see that workers can be spared from the district in which they are recruited and that they proceed to designated areas when and where their services are required. While many of the workers are recruited from rural border areas, the movements last year included a considerable number of unemployed urban workers

Movements of farm labour arranged under this agreement include:

(a) Movement of combine units, including necessary crews, from the prairie provinces to the midwestern United States during the summer, and a return movement from the U.S. to assist in harvesting crops in the prairies in the fall;

(b) Movement of tobacco workers from the southern U.S. to Ontario and Quebec;

(c) Movement of Canadian potato harvesters from Quebec and New Brunswick to Maine and from Manitoba to North Dakota.

(d) Movement of workers from Quebec to the New England states for fruit and vegetable picking and processing.

3. Under this agreement the approximate numbers of agricultural workers going to the United States on a seasonal work basis since 1942 are as follows:

	N.B.	Quebec	Prairie Provinces
1942	588	600	100
1943	—	700	500
1944	378	1,500	550
1945	300	4,300	2,350
1946	400	5,900	3,900

[Mr. Heon.]

QUESTIONS PASSED AS ORDERS FOR RETURNS

IMMIGRATION—JAPANESE

Mr. REID:

Of the Japanese entering Canada from April 1, 1939 to March 31, 1947:

1. How many had previously resided in Canada?

2. What were the numbers who entered in each year from September, 1939?

3. Of the number who previously resided in Canada, in what year did they leave Canada for duties or residence abroad or in Japan?

4. Have any citizens of Japanese origin, either naturalized or born in Canada renounced their allegiance to Japan or the Japanese government?

DEPUTY MINISTERS

Mr. RAYMOND (Beauharnois-Laprairie):

1. Who were the deputy ministers in each department of the government on October 20, 1935?

2. Between October 20, 1935 and June 1, 1947, what appointments were made to these various positions; when was the appointment made in each case and whom did each appointee replace?

ROYAL MILITARY COLLEGE

INQUIRY AS TO CADET COURSE—ENTRANCE EXAMINATION

On the orders of the day:

Mr. D. G. ROSS (St. Paul's): I should like to direct a question to the Minister of National Defence. The papers this morning say that "First peacetime staff course in Canada concludes at Royal Military College." The article goes on to point out that the present location of the Canadian army staff college is—

Mr. SPEAKER: Order. May I call the hon. member's attention to the fact that in asking his question he should not give information to the house; he should seek information from the government.

Mr. GRAYDON: He is only laying the foundation.

Mr. ROSS (St. Paul's): Is it true, Mr. Speaker, that the present location of the Canadian army staff college is at the historic Royal Military college, where from 1876 to 1941 cadets trained for commissions in the Canadian and British armies? Was Major General J. F. M. Whiteley commandant of the Canadian army staff college, and was Colonel R. P. Rothschild its director? What I want to ask is this. Is it true that the next course to be held at the staff college is scheduled to begin early in 1948? If so, does

that mean that the college will not be open as it used to be for the training of cadets of younger age?

Hon. BROOKE CLAXTON (Minister of National Defence): An announcement was made in the house some time ago, and also by way of press release, that it is the present plan to reopen the Royal Military College as a cadet college for all three services in September, 1948, and to carry on two combined service colleges, one at Royal Roads and one at the Royal Military college on a similar basis.

Mr. ROSS (St. Paul's): May I ask a supplementary question? Does that mean that examinations for entrance will be those which are taken in the spring of 1948, and that the selection will be made from the results?

Mr. CLAXTON: An announcement will be made later as to the entrance requirements. At present the entrance requirements for Royal Roads are senior matriculation or its equivalent.

Mr. ROSS (St. Paul's): That does not answer the question about Royal Military college. Are the qualifications the same?

Mr. SPEAKER: Order. I know that the hon. member is anxious to abide by the rules of the house.

Mr. FULTON: He is anxious to get an answer to his question.

Mr. SPEAKER: The hon. member knows that questions asked on the orders of the day should be brief and to the point, and be on matters of urgency. May I suggest to the hon. member that he put the other question on the order paper.

Mr. ROSS (St. Paul's): Mr. Speaker, the question is urgent from this point of view. I really want to know now, not a long time later, what the plans are to be.

Mr. CRUICKSHANK: You are doing well. Stay with it.

P.E.I. CAR FERRY

SUGGESTION AS TO NAME OF VESSEL

On the orders of the day:

Mr. D. KING HAZEN (St. John-Albert): I crave your indulgence, Mr. Speaker, to be allowed to ask a question of the Minister of Transport. I believe it is brief and to the point. In appreciation of the great interest he has taken and the increasing efforts he has made to hasten the construction of the Prince Edward Island car ferry, will the government give consideration to naming the vessel the "W. Chester S. McLure"?

Hon. LIONEL CHEVRIER (Minister of Transport): I can assure the hon. gentleman that the minister as well as the government is quite prepared to give that matter consideration.

Mr. CRUICKSHANK: Might I suggest "Grant MacNaught" as the name?

PUBLIC WORKS

REQUEST FOR TUNNEL BETWEEN TORONTO AND TORONTO ISLAND

On the orders of the day:

Mr. D. G. ROSS (St. Paul's): I wish to ask another question, now that we have had all these speeches of congratulation which everybody has enjoyed very much. I congratulate the Prime Minister on his twenty years of service and on all that he has done. It seems to me there has been an announcement that a tunnel is to be put under the harbour at Halifax. Will the Minister of Public Works take into consideration or reconsideration the building of a tunnel between Toronto and Toronto island?

Hon. ALPHONSE FOURNIER (Minister of Public Works): I suggest that the hon. member put that question on the order paper.

INCOME WAR TAX ACT

Hon. DOUGLAS ABBOTT (Minister of Finance) moved the third reading of Bill No. 269, to amend the Income War Tax Act.

Mr. E. D. FULTON (Kamloops): I indicated to the Minister of Finance (Mr. Abbott), when this bill was in committee, that there were certain representations I wished to make, which it was not possible for me to make at that time. In the course of some ten minutes I wish merely to bring to his attention once more a matter to which I think he should give the consideration it requires, which calls for a decision by the government. It is the question whether or not basic herds shall be classified as capital or income. This matter has been before the house, to my personal knowledge, for the last three years.

I take this opportunity of speaking only because I feel deeply that it is regrettable that a decision has not been made prior to this time. Each year the matter has been brought up, promises of consideration have

been made. This year the words of the minister were that "very real consideration" was being given to the question. Previously it was only "consideration". Now we are advised that it is "under active consideration" between him and the Department of National Revenue. The purpose of my rising at this moment is to suggest that more than consideration be given. Active consideration is not sufficient, because not only is hardship being inflicted upon those who are selling their herds at this time, or are anxious to sell them, but a very real injustice is being inflicted on those people.

Instances have been given in the past of sales which have been made and in which injustices have resulted, or of sales that otherwise would have been made but which have been held up because of the hardship which would follow, inasmuch as the proceeds would be regarded as subject to income tax in the one year in which the sale was made. Canadian people, such as the citizens whom I have in mind, who have made a real contribution to the development of this country, who have built up their industry over a period of from forty to fifty years and are now anxious to retire or to pay off debts and have enough left for their livelihood, are prevented from doing that because of what I may call, without exaggerating, inertia on the part of the government; and I think it is my duty as a member to bring this matter forcibly to the attention of the house. While in a sense I feel that I should apologize for taking the time of the house, nevertheless I feel that I would be neglecting my duty if I did not take these few minutes to impress upon the government once again, as I gave notice during the budget debate that I would do, the real urgency of this question.

I am going to give just two more examples of how this failure to recognize a breeding or basic herd as capital works injustice upon our people. I know of the case of a man who in 1943, because of a shortage of feed owing to an unexpectedly severe winter, was forced to sell approximately half his herd, which otherwise he would not have sold because it was a continuing operation. Having sold those cattle in 1943, when he made his return in 1944 he found himself required to pay income tax on the proceeds, though he had intended to keep those proceeds over the winter and reinvest them next year in buying back the animals he had not been able to carry through the winter. In other words, he was realizing on his capital intending to reinvest it the next spring and summer, but was forced to pay income tax on those proceeds at the very high rate then prevailing. So the following year he was simply unable to make the reinvestment which otherwise he would have been able and had expected to make. That is the first example of what happened because of the failure to decide whether or not breeding herds are, in fact, capital.

The other case came to my knowledge just last evening in the form of a letter I received from a solicitor in my constituency, who brought to my attention the case of an estate in the vicinity of Ashcroft. This was the case of an old pioneer rancher in that district who, being taken ill during 1945, was unable to carry on his ranching operations. So he and his family sold his herd, realizing $5,487 through the sale. As I say, that was in 1945. Toward the end of that year the rancher died and his executors set up these whole proceeds in the capital assets of the estate. I would ask the house and the minister to bear in mind that these proceeds were reckoned to be part of the capital value of that estate for succession duty purposes. I think I should continue by reading the letter, since it sets forth the circumstances clearly:

> A short time ago the son of this rancher came in about a claim by the income tax department for some $450 which they claimed to be still due, and I wrote to the income tax department asking them if in view of the fact that this was the sale of the whole band of cattle caused by the fact that the testator was unable to continue operations owing to his illness . . . that the department would use the discretion which the Minister of National Revenue had stated they made a practice of doing in cases of this kind, and not tax the whole amount as the income of one year.

Then, if I may make the request, I want the house to listen carefully to the next paragraph:

> The inspector of taxation wrote back and said that he did not feel disposed to open up the file in this matter and asked for payment in full immediately. He also claimed a penalty of $48.62 for late filing.

The letter continues:

> Now the widow in this case was seventy-eight years old and lives quite a number of miles to the east of the 70 Mile Post.

It then continues with some of the local geography in question, and indicates that this lady could not obtain expert advice as to how to market her cattle so as to avoid liability for income tax, and then concludes:

> The result was that she was assessed the sum of $972.34 which, together with the penalty, amounted to $1,021 or one-fifth of her total capital after disposing of these assets.

There, it seems to me, is a clear example of how this indecision results in hardship to

Canadian citizens. Here is an estate forced to realize a capital asset. They cannot continue operations, and this results in the realization of some $5,000 in cash. Because it is all regarded as income and subject to taxation in the one year, they have to pay out over $1,000; and I think the house will realize what that means to a widow of seventy-eight years of age, when over one-fifth of her husband's estate is taken from her under the heading of income tax when in effect it is capital assets and will in its own turn be subject to estate duties by both provincial and dominion governments.

I see that my ten minutes are nearly up, and I shall try to keep my undertaking not to hold up the matter longer. I wish to conclude by saying that last summer I went to see the then minister of finance about this question and had with him a full and friendly interview in which he professed to be impressed, not by my arguments particularly, but by the arguments which could be marshalled in favour of recognition of the principle that a breeding or basic herd is capital. But he said that at the time, because of pressure of business, he was unable to keep all those arguments in his head—and I quite appreciated that—and asked me to submit a brief summarizing these points of view. I submitted that brief to the minister with an accompanying letter on June 21, 1946, just under one year ago. In that brief I made reference to the brief submitted by the Department of Agriculture. Just here I should like to point out that the other evening, when we were discussing the agriculture estimates, I asked the Minister of Agriculture (Mr. Gardiner) whether he and his department had changed their views with regard to this matter. In his reply the minister said that they had not changed their view, but that of course the decision by his department was not the final word. and that he believed the Department of National Revenue was endeavouring to work out a system. Last year, when this matter was discussed in the house, on no fewer than four occasions the present Minister of Finance said that this matter was receiving earnest consideration. I drew to his attention the fact that in the United States the bureau of internal revenue recognized the principle that a breeding or basic herd is a capital asset, and he said then they would look into the United States practice and see. This discussion is to be found at page 3860 of *Hansard* for July 25, 1946.

These matters have been brought to the attention of the government again and again. The principle has been outlined clearly. I do not think it would be proper for me to repeat the arguments, but I want to emphasize that, in spite of these matters having been brought to the attention of the government, here we have a case, as revealed in this letter to which I have referred today, where an unfortunate Canadian woman seventy-eight years of age is being deprived of one-fifth of the capital value of her husband's estate because of failure to reach a decision as to whether or not a breeding herd is a capital asset. I call upon the government earnestly and urgently to lose no more time in making this decision, so that simple justice may be done these people who have put in many years in building up some of the pioneer and frontier regions of our country.

Mr. H. W. HERRIDGE (Kootenay West): Mr. Speaker, because I have a large number of constituents who are not at all satisfied with some sections of this act, I want to speak for two or three minutes in connection with taxation of cooperatives. I could speak at some length, but I shall endeavour to be brief.

I should like to make a recommendation to the Minister of Finance (Mr. Abbott). I am of the opinion that the knowledge of the minister and of many of his officials in connection with the operation of cooperatives is strictly theoretical. I do not blame him for that. But I suggest that if the government is going to understand at all the various types of cooperatives—and there are many types—it would be well for the minister to have some senior officials visit typical dairy cooperatives to see how they function and to understand some of their practical difficulties. They should visit some of the fruit cooperatives, some of the fruit producer and consumer cooperatives, and some of the service cooperatives. I have in my constituency a particular type of cooperative in which there are associated about 1,000 or 1,500 members, and which owns cars for transportation purposes, and represents another development in the cooperative movement.

I believe the minister and his officials would have a better understanding of their problem and their difficulties if some of the senior officials would visit these organizations and look into the practical difficulties they face from day to day under the present legislation. The same applies to fishing and to service cooperatives.

I rise at this time simply to make that suggestion and recommendation to the minister,

because I believe that it will lead to better understanding of the problems of cooperatives under this legislation.

Mr. C. C. MILLER (Portage la Prairie): Mr. Speaker, I shall take only a moment or two to bring one or two points to the attention of the Minister of Finance (Mr. Abbott) or the Minister of National Revenue (Mr. McCann).

In the constituency I represent there are a number of railwaymen, and they have been communicating to me a grievance they maintain they have. That grievance is that there is a deduction made from their salary cheques for pension funds. They feel they should have the same consideration in respect of those deductions for pensions as civil servants have. In other words, civil servants with similar deductions from their pay cheques for pensions can deduct the same from their income tax returns for assessment purposes. The railwaymen, in large numbers, feel that they should have the same privilege. I ask, on behalf of those constituents of mine who work on the railroads, for consideration by the appropriate minister.

There is one other small matter. I believe that in the collection of income tax the inspectors should be instructed to interpret more generously the matter of away-from-home expenses. As I understand it, at the present time the railwaymen of the running trades can deduct from their incomes certain allowances for expenses while they are away from home earning salary upon which they are taxed. We think that provision should be more generously and generally applied.

Let me give one example. In western Canada, particularly during the war years many young men were hockey players. Several of them have gone from my own home town. They had to go to New York, Detroit, and perhaps Toronto. But more particularly they had to go to the United States in order to earn the comparatively large salaries they did earn. Not only were they taxed upon what they earned, but there was added to their incomes the appropriate premium on United States exchange at that time. That seems to be all right, because it is the general practice. But these young men had to be away from home. They were bringing United States currency into this country in substantial amounts when United States currency was badly needed, and no recognition whatsoever has been given to them for that. I maintain that when they are away earning these salaries they should be entitled to away-from-home allowances. I know of no inspector of income tax who is making that allowance. This is particularly important in Winnipeg and Regina.

I would ask that the Minister of National Revenue give serious consideration to a more generous treatment of these young hockey players in that regard. I have mentioned hockey players as an example, but there are many others who earn their money away from home to as great an extent as do those in the running trades on the railroads. I know of no occupation, other than the running trades, which is given this special consideration by way of deduction of away-from-home expenses, and I suggest that consideration should be extended to almost every walk of life where a man has to be away from home to earn the money upon which he is taxed. I maintain, further, that if the act were properly interpreted, it would be interpreted in that way; and I suggest that the minister instruct his enforcement officers accordingly.

Mr. J. A. ROSS (Souris): Mr. Speaker, I should like to endorse the remarks and the argument set forth by the hon. member for Kamloops (Mr. Fulton). This is not a new matter; I discussed it in the budget debate at this session, and I have discussed it on other occasions.

We thought we were getting somewhere at one time with the predecessor of the present Minister of Finance (Mr. Abbott). Negotiations had taken place between his department and the Department of Agriculture. On the basis of what had happened in that connection in the great nation to the south of us, we were led to believe, some two or three years ago, that something would be done to allow basic herds as capital. There have been many instances of hardship, especially as set forth by the hon. member for Kamloops.

I do not wish to discuss the matter in detail again, but I request that the minister have his department give further consideration to this unfair system, and try to evolve some policy which will be of benefit to those affected.

Mr. ABBOTT: My hon. friend was not in his seat last night, or he would have known that I gave that assurance.

Mr. A. J. BRADSHAW (Perth): Mr. Speaker, I trust I am in order on the motion for third reading of the bill to ask one question of the minister. Last session, legislation was passed in regard to farmers mutual fire insurance companies. The new legislation makes them liable to the thirty per cent cor-

poration tax on profits, and profits are considered by the income tax officials as the difference between the total of all receipts from premiums, interest on investments and from re-insurance, less expenses of management and losses paid. There must necessarily be a substantial surplus to provide a reasonable reserve for unexpected and severe losses. This yearly surplus will be taxed at the rate of thirty per cent.

We have sixty-seven insurance companies in Ontario. The executives of the insurance companies of Ontario interviewed the department in the month of January, and the ruling given at that time was to the effect that mutual insurance companies operated for the benefit of farmers "to the extent stated by you, and which are members of your association, would be exempt from taxation under the provisions of section 4 (1) of the Income War Tax Act, as long as the said section is in force."

I should like the minister to say whether this taxation is still in force.

Mr. ABBOTT: With regard to the point raised by the hon. member for Perth (Mr. Bradshaw), this class of mutual fire insurance companies is treated in exactly the same way as any other mutual corporation, or any cooperative for that matter. They are entitled to deduct from their earnings any refund or refunds, patronage dividends, and the like, before arriving at taxable income. But there is no distinction between so-called farm mutuals and other mutuals. Consequently the ruling to which my hon. friend refers, which was given in January, was in error as to the true position under the law.

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, some time ago I suggested a plan to dispense with the income tax and replace it with a tax on bank clearings. I should like to ask the minister if he will be kind enough during the recess to give instructions to his officials to examine the matter and offer constructive criticism in that regard. I do not contend that the plan is perfect, but I should like to have all possible objections from the officials of the Department of Finance in order that I may know what can be done with it. If the minister will be kind enough to bring down that information in due course, I think the people will be satisfied.

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

MUNICIPAL IMPROVEMENTS

AMENDMENT OF ASSISTANCE ACT OF 1938—ADMINISTRATION OF PROJECT BY ANOTHER MUNICIPALITY

Mr. R. W. MAYHEW (Parliamentary Assistant to the Minister of Finance) moved the second reading of Bill No. 256, to amend the Municipal Improvements Assistance Act, 1938.

Mr. DONALD M. FLEMING (Eglinton): Mr. Speaker, this amendment does not appear to be very important. It may be a useful amendment, although I am bound to say that the terms upon which loans hitherto made to municipalities are being altered, pursuant to the terms of this amending bill, are being made so severe that I question if advantage is likely to be taken of the act on many occasions. We are not told in the explanatory note what has given rise to the amendment, but it may be that some municipalities which have already received loans have gone through some change in municipal structure or municipal boundaries.

This is a convenient occasion to ask the government what its policy is with reference to the Municipal Improvements Assistance Act. This act was passed in 1938 at a time when conditions were quite different from those which generally prevail today. Many municipalities were still struggling out of the days of near insolvency or at least financial difficulty, but most of them have since made substantial progress. The act was not drawn upon by many municipalities. This is a proper occasion, it seems to me, for asking the government if it intends to make any substantial use of this act in the days that lie before us.

It will be recalled that the act made provision for loans at two per cent per annum on an amortized basis, the period of the amortization being set by the governor in council, for the purpose of assisting municipalities in proceeding with the construction or extension of works of certain kinds which were defined in the act as self-liquidating projects. Back of it was the intention to assist municipalities at low interest rates in constructing works that would bring not only local benefit to the citizens but would assist in providing employment.

A few months ago I obtained information in reply to a question which I had placed on the order paper with reference to advances made to municipalities under the provisions of this act. I think this is a matter of interest to the

house and I should like to ask permission to place this table on *Hansard*. It is not a lengthy table and I think that would save time, which I am sure we are all anxious to do.

Mr. DEPUTY SPEAKER: Has the hon. member unanimous consent?

Some hon. MEMBERS: Agreed.

Mr. FLEMING: This is the table:

Advances made to municipalities pursuant to loans approved under the provisions of the Municipal Improvements Assistance Act, 1938

Municipalities within the province of:	1938	1939	1940	1941	1942	1943	1944	1945	Totals
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Prince Edward Island.	7,000 00	.....	.....	.....	.....	.....	.....	.....	7,000 00
Nova Scotia.....	.....	203,861 96	437,575 00	.....	.....	.....	.....	.....	641,436 96
New Brunswick.....	.....	342,513 80	125,000 00	.....	.....	.....	.....	.....	467,513 80
Quebec.....	.....	.....	196,787 50	857,732 50	337,889 50	215,687 24	55,545 00	55,545 00	1,719,186 74
Manitoba.....	.....	172,839 00	29,649 00	3,500 00	.....	.....	.....	.....	205,988 00
Saskatchewan.....	.....	602,163 19	248,937 62	.....	.....	.....	.....	.....	851,100 81
Alberta.....	76,733 50	530,670 35	278,757 00	2,094 00	.....	.....	.....	.....	888,254 85
British Columbia.....	187,500 00	1,439,576 25	381,640 40	106,041 05	.....	.....	.....	.....	2,114,757 70
Totals.....	271,233 50	3,291,624 55	1,698,346 52	969,367 55	337,889 50	215,687 24	55,545 00	55,545 00	6,895,238 86

NOTE.—No advances made during 1946.
The province of Ontario did not avail itself of the provisions of the Municipal Improvements Assistance Act, 1938

No municipality could obtain a loan under the terms of the act unless the loan was guaranteed by the province in which the municipality was situated. It will be seen that in the amending bill the provinces are again being drawn into it. Unless the province stands behind the municipality and the municipality delivers debentures to the dominion government, no advantage of the amendment can be claimed by a municipality. The province of Ontario did not avail itself of the provisions of the act and actually since 1941 only municipalities in one province, Quebec, have obtained advances under the act.

Nothing has been advanced under the act since 1945. The total amount advanced by the dominion government pursuant to the terms of the act in the nine years since it was first enacted is only $6,895,238.

Mr. MAYHEW: I think the hon. member would like to be correct. This act has not been in operation since 1941. It has been in operation for only two years and ten months. It has not been in operation since the war, in other words since 1941, and there have been no loans granted.

Mr. FLEMING: I think the hon. member has misdirected his correction. I am referring to a return made by his department. It may be that the terms of the act were not used extensively by municipalities, but the return made by the Department of Finance shows that since 1941 the following advances were made:

1942	$337,889.50
1943	215,687.24
1944	55,545.00
1945	55,545.00

[Mr. Fleming.]

A note on the return states that no advances were made during 1946. I repeat, that is a return made by the Minister of Finance in reply to my question. For these reasons I should like to ask the government to state its intentions with reference to this act. Is it to be allowed to become a dead letter or is there any thought of making any real survey of the purposes for which it was originally intended?

Section 10 of the act reads:

> The minister shall annually prepare a report with regard to loans made under the provisions of this act during the preceding calendar year, and the report shall be laid before parliament within fifteen days, or if parliament is not then sitting, within fifteen days after the beginning of the next session.

The requirements of that section have apparently been honoured more in the breach than in the observance. It is like a great many similar sections that we encounter in statutes passed by this parliament requiring annual reports—they are simply ignored by the government. It is high time the government made a serious attempt to heed and obey the terms of this and other statutes providing for annual reports to parliament on operations under acts.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, the motion before the house is the second reading of a bill to amend the Municipal Improvements Assistance Act. That act grew out of a form of assistance which was created during the depression between the two wars and it was founded on the same principles as the Municipal Assistance Act. I had a return when the minister introduced the

resolution preceding this bill; I have not that with me at the present time but I have sent for it. I asked how many dollars had been voted last year in connection with this fund. It was largely a civic problem. In 1936 an act similar to this one was introduced, under which the province was to contribute one-third, the federal government one-third and the municipalities one-third, to provide employment, and under that act in the province of Quebec, Three Rivers got a court house, gaols and roadways, while the city of Montreal got parks and public driveways, and many other municipalities got educational buildings of all kinds. But Ontario, under the leadership of a popular premier of that day did not get one cent of assistance for its municipalities. If we are to have this form of assistance let us have equality of treatment for all the provinces. This legislation is to assist the municipalities with what might broadly be called local improvements, such as waterworks systems and many other forms of municipal ownership, necessary and useful works which the municipalities cannot finance themselves. I believe the time is coming when there will have to be liberal treatment for the municipalities, and particularly there should be equality of treatment.

I had a return brought down to show what was done under the previous act and I found that, while various municipalities in Quebec and other provinces got assistance, municipalities in Ontario got nothing. I could not find one dollar of assistance for Ontario in the return I got ten days ago. I do not say that municipalities out west should not have received assistance; far from it; I am glad that they got assistance, but we ought to have equality of treatment for all the provinces. The time is coming when there will have to be further aid to municipalities. It was always understood at confederation that the principle underlying the giving of these grants under the British North America Act to the provinces was that the provinces should help to maintain the municipal institutions. Oliver Mowat once said that the provinces are only glorified city councils. But when the provinces get these subsidy grants under the British North America Act they do not give the municipalities anything. They just go ahead and spend the money themselves and the municipalities get nothing.

Here is a return that was brought down, under the act now before us, in reply to this question which I asked during this session:

What loans, listed by provinces, have been made to municipalities in Canada by the government towards the cost of self-liquidating municipal works and projects under R.S.C. 1938, Chapter 33, "An Act to assist municipalities in making self-liquidating improvements?"

I find that Greater Vancouver water district got $750,000; Vancouver city $390,000; Saanich, $40,000; Prince George, $25,000; Nanaimo, $200,000, Grand Forks, $11,000; or a total for British Columbia, $1,416,635.

I come now to Alberta. Edmonton got $150,000; and two other amounts of $7,000 and $36,000; Lethbridge got $100,000. I believe that politics was mixed up in some of these cases. In fact everything voted in this house has politics in it because politics is the science of government. Municipalities which feel that they cannot get along come to Ottawa for assistance. I was saying a moment ago that in the province of my hon. friend the Minister of Public Works they had court houses and schools and roads built.

Mr. FOURNIER (Hull): Does the hon. member mean under this legislation?

Mr. CHURCH: Yes; it is the same principle under the act passed a few years ago.

Mr. FOURNIER (Hull): I wish to tell my hon. friend that in the province of Quebec we do not build court houses or roads with federal money.

Mr. CHURCH: With all due respect, I think I know something about this thing.

Mr. FOURNIER (Hull): Not as much as I do.

Mr. CHURCH: I got a return of unemployment relief projects in 1938-1939. Quebec got millions, Ontario nothing, of works built by federal aid. You got court houses and roads and parks and all that kind of thing under the former act. For the benefit of the minister I will continue reading about the assistance given to Alberta under the act now before us. Medicine Hat received $26,000; Calgary, $21,000, $8,000, $37,000, $82,000 and $46,000; Grande Prairie, $50,000; Wetaskiwin, $26,000. Alberta received a total of $591,318.73.

I come now to Saskatchewan. Regina received $60,000; Prince Albert, $75,000; Moose Jaw, $200,000; Melfort, $40,000; Saskatoon, $13,000; Yorkton, $24,000; Canora, $3,000; Pelley, $6,000; Melville, $4,300; Regina, $140,000. We have municipalities in Ontario that would like a hand-out like this. But the Ontario taxpayer has to pay for it all. Under this act there should be equality of treatment, because this money is paid out of direct taxation and the two provinces contributing most to pay for these improvements are the two central provinces. Saskatchewan received a total of $566,200.

I come now to New Brunswick. Fredericton received $200,000; Saint John, $112,000; Dalhousie, $20,000; Sussex, $35,000; Edmundston, $35,000; or a total of $402,513.80 for New Brunswick.

I am not objecting to the principle of this legislation. I am just asking that there be an equality of treatment. I appreciate the fact that the municipalities and towns have not the financial support that they should have, and I am glad to see them get assistance. My argument is that this principle of assistance should be applied to all the provinces, and the fund will have to be much larger. I remember that my hon. friend the member for Vancouver North (Mr. Sinclair) raised this question last year and the year before, that the principle of giving moneys to municipalities as subventions for services rendered should be reciprocal, and I supported it. There should be equality of treatment for all provinces.

Mr. W. ROSS THATCHER (Moose Jaw): If I understood the minister correctly under this act, a municipality can borrow up to $200,000 from the department. The city of Moose Jaw made such a loan some years ago. They were repairing and adding to their waterworks system. Today they are in the position that they may wish to make a further loan, and they are greatly interested in having the ceiling amount of $200,000 increased. This is a resolution which they passed only a few weeks ago with regard to this act. I wish to put it on *Hansard* for the information of the minister. They recommend that the act be amended as follows:

(a) By the removal of the limitation on, or a substantial increase in the aggregate loans which may be made to any particular municipality.

(b) The extension of the provisions of the act to approved capital works, which may not necessarily be self-liquidating, where appropriate by-laws are passed to service the repayment of the monies borrowed by a levy on the municipality at large.

This is what the Moose Jaw city commissioner himself said to me in a letter:

We are much interested, therefore, in getting the limit on the maximum loans removed. It is our opinion that this act should be placed in readiness where it can be used to full advantage, the moment the need arises for a national works programme.

In view of the fact that we may some day soon, need a larger scale public works programme, I wonder if the minister would consider raising that maximum amount. Would the government give the matter some consideration?

Mr. JAMES SINCLAIR (Vancouver North): I feel in part responsible for the introduction of this measure because it was I who asked the minister to make the amendment. In my riding there were two districts which received loans. The one to which this bill particularly refers is the village of Westview in the northern part of the riding. The large company town of Powell River is nearby, but many of the workers did not care to live in the town and so they started building private homes outside the company limits. They formed a small waterworks and improvement body under the British Columbia waterworks act and obtained, under this very act, a loan of $100,000. As a consequence of the loan and the installation of the waterworks the district grew rapidly and incorporated as a municipality. They wanted the loan transferred from the old waterworks district to the new municipality but there was no provision in the old act for such transfer of loan. For the last few years, therefore, they have been electing dual commissioners, one set of commissioners to operate the waterworks and another set of commissioners to take care of all municipal business except waterworks. It was an unwieldy arrangement and I asked the Minister of Finance whether a change could not be made. He was good enough to introduce the amendment.

As regards the remarks of the hon. member for Broadview (Mr. Church) and those of the hon. member for Eglinton (Mr. Fleming), I think it should be stated in defence of the act that the loans made under it are not gifts from the federal government to the municipalities, but low interest loans. One of the best features of the loans is that not a single loan is in default.

The other municipality in my riding which received a loan in 1940, West Vancouver, received $200,000. The lowest rate at which they could have floated that loan in the public market was seven per cent, and to a small municipality the saving between seven per cent and the two per cent under this act was a substantial one.

The reason there are no loans in Ontario is not the fault either of the municipalities or of the federal government. The provincial governments had to be the intermediary and guarantee the loans, and Ontario did not choose to do so.

Mr. HACKETT: Will the hon. gentleman permit a question? Why would the municipality to which he refers have to pay seven per cent, which seems to be a high rate, if there is any reasonable security?

Mr. SINCLAIR (Vancouver North): As a matter of fact, the municipality at the time was not in a very good financial position. But

the good point about these loans is that they have not been given for parks, driveways and houses, but for self-liquidating projects such as waterworks. The loan has been paid off, and two per cent was enough to pay for it. The general finances of most municipalities then were bad, and even loans for self-liquidating projects could have been arranged, except for this provision, only at the higher rate. I think the hon. member for Eglinton will find that no loans have been made since 1941. Advances have been made on loans which were approved before 1941.

Mr. FLEMING: The table I read was a table of advances made under the act.

Mr. SINCLAIR (Vancouver North): But when it is said that there has been no annual report on loans made, I believe the last loans in Canada, except Quebec, were in 1940. The Quebec loans were made in 1941, because up to 1940 the Quebec provincial government had not taken advantage of the act. I think this is an excellent piece of legislation.

Mr. FLEMING: Under section 10 there is provision for reports on administration.

Mr. SINCLAIR (Vancouver North): The actual loans were made and approved in 1941 at the latest.

In conclusion, I wish to thank the government for bringing in this amendment, which will permit the transfer of loans from one municipal body to a larger municipal body if such is established in the district.

Mr. ROSS (St. Paul's): Is it possible for the municipalities to get loans under this act today as before?

Mr. SINCLAIR (Vancouver North): I am only a private member. I am neither the parliamentary assistant nor the minister. The hon. member must direct his question to one of them.

Mr. MAYHEW: We are not in committee.

Mr. ANGUS MacINNIS (Vancouver East): My chief purpose in rising to say anything on this bill is to suggest to the parliamentary assistant to the Minister of Finance that when he speaks he should give the house a fairly comprehensive summary of the operations of the act since it was passed. I do not know how much information he may have with him, but if he has it he should do that, because this act having been passed in 1938 and having been operative only for a part of the time, many members are not conversant with it.

I was in the house at the time the act was passed and I believe it served, within its limited capacity, a useful purpose. Perhaps the time is ripe for a reconsideration of the purpose of the act and its extension considerably as compared with its present scope.

I would emphasize the point made by the hon. member for Vancouver North (Mr. Sinclair) that the loans made under this act are not hand-outs, as was stated by the hon. member for Broadview (Mr. Church). They will all be paid back. Security is required, and there is nothing in the nature of a hand-out about the loans. I believe many municipalities have borrowed under the act for purposes of self-liquidating projects, and I am convinced that, in view of the financial condition of many of these municipalities, if not at this session then at the next, when probably it will be more necessary, the act should be extended.

Mr. JOHN T. HACKETT (Stanstead): When the minister does answer the questions that have been put to him and the suggestions that have been made, I wish he would spare a little time to explain the necessity for this act.

The hon. member for Vancouver North (Mr. Sinclair) said that the municipality of which he was speaking could not borrow money on the security which was offered for less than seven per cent. It occurs to me that if such is the case the security must have been of doubtful nature. I understand that there may be circumstances in which a government should come to the rescue of communities even if the security that they can offer be not of the best, where the health and general well-being of the community are at stake. On the other hand, if the securities are as good as we have been led to believe they are, it would appear to me to be a useless competition by the government with the proper and ordinary financial institutions of the country. To that extent, until we cease to believe in free enterprise and in the benefits which accrue from competitive undertaking, challenges of this kind to ordinary business should be abandoned. I would ask the minister, when he speaks, to deal with this aspect of the question.

Mr. RODNEY ADAMSON (York West): Some municipalities will be faced with one problem for which provision is not made in this bill; and I am thinking of my own municipality in particular. It is the question of assistance for servicing Wartime Housing projects. I wish to explain to you, Mr. Speaker, and to the parliamentary assistant, what I mean. There is a project in the township of Etobicoke. There were 260 wartime houses put in there as a veterans housing scheme. Each house is rented to a veteran,

and I think the monthly rental is $27. One of the conditions was that each veteran should have two children. I think the average is slightly more than two. In the school section there was either a five-room or a six-room school. The municipality is now faced with the immediate problem of an addition to accommodate some five hundred extra children for whom they have to provide schooling. Under the present system this is a direct responsibility of the municipality. Obviously it is grossly unfair to add this great increase of school taxation for carrying charges, for the purpose of building a school, to the ordinary residents of that school section. Both the municipal and provincial authorities are working on the matter at the present time. There may be other cases like that across Canada but this is the only one I know of. I believe that in a case like that the federal government will have to assist either in the way of loans or by guarantees in some way, so that the money for these schools can be raised at the current rate of interest of about 2½ or 2¾ per cent.

This is a serious problem. Here we have a resident of a township who, all of a sudden, finds that his debenture rate on his school is tripled. I think it has gone up from ten mills to thirty mills. That is the estimate. I am not absolutely certain of my figures, but I think the figures have certainly tripled in that school section. Unless something is done, you will virtually bankrupt that school section; and through that school section, as the municipality as a whole will be burdened with the debentures, you will run the danger of putting your urban municipalities in a serious financial position. I do not see anything in this bill, but I ask that the government give serious consideration to the problem which I have tried to present to the house.

Mr. DEPUTY SPEAKER: If the hon. member for Victoria, B.C. (Mr. Mayhew) speaks now, he will close the debate.

Mr. R. W. MAYHEW (Parliamentary Assistant to the Minister of Finance): I will answer the questions as best I can. I will try to answer the hon. member for Eglinton (Mr. Fleming) first. He implied that this act was still in operation, but it has not been in operation since 1941. There were some loans in 1941. There were some contracts made on which advances were made since that time. But no further contracts have been made.

Mr. FLEMING: That does not say that the act is not in operation.

Mr. MAYHEW: Well, it is in operation, but no additional loans have been made under it.

Mr. FLEMING: That is quite different.

Mr. MAYHEW: The hon. member also said that the annual report had not been tabled. The act provides that the report shall be tabled, and I think my recollection goes back to the time this year when I tabled that report. This is a copy of what I tabled at that time, and it reads as follows:

APPENDIX 2

THE MUNICIPAL IMPROVEMENTS ASSISTANCE ACT, 1938

Statement of moneys advanced, interest received, repayments of principal and balance outstanding, December 31, 1946

Province	Number of loans	Amount approved	Amount disbursed	Interest received	Principal repayment	Balance outstanding
		$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Prince Edward Island	1	7,000 00	7,000 00	932 64	1,623 14	5,376 86
Nova Scotia	7	641,436 96	641,436 96	81,783 85	108,768 30	532,668 66
New Brunswick	7	467,513 80	467,513 80	59,226 27	113,193 93	354,319 87
Quebec	17	1,859,731 74	1,859,731 74	150,088 54	325,470 92	1,534,260 82
Manitoba	5	205,988 00	205,988 00	24,785 20	73,802 64	132,185 36
Saskatchewan	28	851,100 81	851,100 81	107,172 26	245,776 80	605,324 01
Alberta	23	888,254 85	888,254 85	97,094 46	385,001 61	503,253 24
British Columbia	21	2,114,757 70	2,114,757 70	274,306 52	562,555 06	1,552,202 64
	109	7,035,783 86	7,035,783 86	795,389 74	1,816,192 40	5,219,591 46

I think, if the hon. member looks back in the records he will find that this has been tabled.

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

[Mr. Adamson.]

Mr. MAYHEW: Yes.

Mr. FLEMING: I have done just what the parliamentary assistant proposes, and I think if he will look back in the records of the house he will not find any report tabled. What he

has been referring to, I think, must be answers to questions asked, just like the table I put on the record this afternoon. Those were answers given in reply to questions which I put on the order paper. I think the hon. member, if he looks back over the record, will find that no report has been tabled in the house during this session.

Mr. MAYHEW: Well, I have tabled a good many reports since the beginning of the year, and I cannot remember them all. I know that we have been very particular about tabling reports which we are obliged to table. Nearly every second day I am tabling some report. If the report has not yet been tabled, I will see that it is. These loans that remain are self-liquidating loans; that is, they are for waterworks, gas systems or electric light systems. They are not for sewerage systems, but are for what are called self-liquidating undertakings. Therefore I think the hon. member for Broadview (Mr. Church) was confused when he said that some of these loans were made for parks and the like. There were no loans made for that purpose.

The hon. member for Moose Jaw (Mr. Thatcher) spoke about the way in which the loans were allocated. The total amount of the loans for this purpose granted in 1938 was $30,000,000. The way in which it was appropriated or allocated was this.

The act provides:

> . . . the aggregate amount of the loans to be made to such board, commission or agency and the municipalities concerned shall not exceed the maximum amount of loans which the municipalities would be entitled to receive if acting separately and shall be apportioned between the board, commission or agency and the municipalities concerned on a basis to be approved by the governor in council.

The amount provided would be in the ratio of the number of people in the municipality to the number of people in Canada as a whole, so that no single small municipality could get any really large loan. I hope that answers the hon. member.

Mr. THATCHER: The government would not consider increasing that amount at the present time?

Mr. MAYHEW: I could not state what the government would do, and I am quite sure, if the minister were here he would not be able to say what the government might do. I will see that the representations which have been made in this house today are brought to the attention of the minister. I think it has been a very useful loan, which served its purpose in the period from 1938 to 1941. After that, materials were needed for other purposes; men were needed for other purposes; there was no need to provide additional work, and it seems to me it was a wise move on the part of the government to suspend those loans for the time being, in order that material and men might be used in the war effort. Whether or not they will put this in operation again, I cannot say. The total of the loans made was $7,035,783.86. The amount paid back was $1,816,192.40; the amount outstanding at the present time is $5,219,591.46; and there has been no default on any of the loans.

What we are asking here is something that probably should have been foreseen when the act was first drawn. Canada is a growing country, and perhaps it should have been anticipated that the small district of today will probably be a village a couple of years from now and a town a little later on. That is exactly what has happened. If I may use the words of the hon. member for Vancouver North, who supplied me with this memo:

> The village and the improvement district have exactly the same boundaries and cover the same people. Each year the improvement district, however, had to continue to elect three trustees to administer the water works while the village, at the same time, elected three village commissioners. This seemed a needless duplication, so in 1946 a plebiscite was held in Westview on amalgamation of the water district and village, and was carried. The village commissioners, with the approval of the department of municipal affairs for the provincial government, then applied to the federal government for transfer of the loan from the old improvement district to the village of Westview. This legislation is to enable such a transfer to be made.

That is all we are asking in this amendment.

To answer the hon. member for Stanstead (Mr. Hackett), I think we have to look back to the time in 1938 when these loans were first made, and see the conditions we were facing at that time. Numbers of municipalities were not in very good shape financially. Work of this kind was needed, and other people were not ready to risk their money in those municipalities. I grant that conditions have changed, and it is easy for us to look at the matter in a different light today; but if we go back to 1938 and look at the conditions which existed then, I think we shall see the advisability of it. What the government may do in future is not for me to say; and I am quite sure, if the minister were piloting this bill he would not undertake to say it either.

Motion agreed to, bill read the second time, considered in committee and reported.

Mr. MAYHEW moved the third reading of the bill.

Mr. H. W. HERRIDGE (Kootenay West): I have a word to say before third reading is

given. I had intended to say something on second reading, but was out of my seat for a few moments. Just before the end of the war and after the war ended, the provincial governments, under the stimulus of the federal government, and the municipalities, under the stimulus of the provincial governments, carried out, I think in most provinces, wide surveys in regard to plans for the rehabilitation of cities, villages, municipalities and local communities. I know those surveys were carried out in British Columbia, in the belief that the dominion government would soon make available funds for such improvements along the lines suggested in this act. I know that in British Columbia a number of municipalities have made plans for certain necessary improvements, expecting to be able to obtain money to finance these works under this or a similar act.

My other remark in this connection is this. There has been a great deal of discussion in this house concerning social credit, free enterprise, national credit and so on. If you will read the history of the reconstruction finance corporation in the United States I think you will come to the conclusion that if there is one form of investment in which we can safely use our national credit, it is investment of this kind. I do not think it would be beyond the ambit of, shall I say, the philosophy of liberalism for the government when it brings this act into operation again to consider issuing credits or loans to the various municipalities concerned through the Bank of Canada. These are self-liquidating investments guaranteed by the province and, as the evidence given this afternoon has shown, the loans are absolutely secure. They represent capital invested in the publicly-owned capital structure of the country; so that I believe the government would be justified, from the point of view of any person in this house, in considering this proposal.

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

FARM IMPROVEMENT LOANS

INCLUSION OF POULTRY IN DEFINITION OF LIVE STOCK

Hon. DOUGLAS ABBOTT (Minister of Finance) moved the second reading of Bill No. 257, to amend the Farm Improvement Loans Act, 1944.

Motion agreed to, bill read the second time, considered in committee and reported.

Mr. ABBOTT moved the third reading of the bill.

[Mr. Herridge.]

Mr. H. W. HERRIDGE (Kootenay West): Mr. Speaker, I frequently rise to criticize the government, but on this occasion I wish to congratulate the minister upon having brought this bill before the house. It will be of great benefit to a number of poultrymen in my constituency, who thus far have not secured help under the act in connection with the operations on their premises. On behalf of those poultrymen who, through the years, have looked forward to some amendment in the act to permit them to borrow, I wish to express thanks to the minister and the government.

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

MERCHANT SEAMEN

PRESERVATION OF COMPENSATION RIGHTS ACQUIRED UNDER REGULATIONS

Hon. LIONEL CHEVRIER (Minister of Transport) moved the second reading of Bill No. 181, to amend the Merchant Seamen Compensation Act.

He said: Mr. Speaker, this is a simple bill, and it is being enacted in order to correct an omission made last year when the Merchant Seamen Compensation Act was passed. The act passed in 1946 did not provide for a reference to the Interpretation Act.

This bill seeks to cancel and revoke the regulations passed under the War Measures Act providing compensation for merchant seamen, and to bring into effect section 19 of the Interpretation Act, so that claims for compensation on behalf of merchant seamen begun under the regulations and not completed before the act came into force will not thereby be lost and the right of seamen for compensation will be protected.

This bill has been submitted to the Department of Justice, which has suggested that it be brought forward in this manner.

Mr. H. C. GREEN (Vancouver South): Mr. Speaker, as the Minister of Transport (Mr. Chevrier) has said, this bill amends the Merchant Seamen Compensation Act which was passed last year. That act, in effect, replaced an order in council passed in July, 1945. If I am wrong in any of these statements the minister will correct me. I believe that this is the time to give some consideration to the compensation payable to those men who served in the merchant navy.

As I understand it, the original order in council had effect only from August 1, 1945. In other words, there was no coverage for a merchant seaman who was injured from 1939

until August 1, 1945. I suggest that there should be put on our statute books without further delay some legislation which would cover those men injured in the merchant navy during the time I have mentioned, and which would also cover the dependents of those who lost their lives.

It might be that such coverage could not be given by an amendment to this act. There is, of course, another act known as the Civilian War Pensions and Allowances Act, in which provision is made for the payment of pensions to merchant seamen, if the injury or disease was the direct result of enemy action, or counter-action taken against an enemy. However, very few cases come under that act, because the merchant seaman has to show that his injury or disease was the direct result of enemy action. In other words, he must almost be hit by a torpedo in order to qualify for the pension.

Mr. MITCHELL: If he were hit by a torpedo he would not be here.

Mr. GREEN: If a torpedo hit a tough man like the Minister of Labour I am sure it would not hurt him much.

Mr. MacINNIS: Too bad for the torpedo.

Mr. GREEN: I do not think it would be possible for a man to qualify under this Civilian War Pensions and Allowances Act in respect of disease. I do not know how a disease could be traced directly to enemy action. However, proof that the act does not extend very far is found in the fact that only thirty-one seamen and dependents have been able to qualify for pension. On the other hand, I believe that of about 18,000 merchant seamen who served during the war, 1,091 lost their lives. In addition, many were sick and many others were injured. So that the percentage covered by the Civilian War Pensions and Allowances Act is very small indeed.

I point out to the minister that there are cases of this type which should be covered. For example, a ship is in port, and is blacked out. Let us say she is in the port of Liverpool. A seaman falls and is injured, or perhaps is killed, as a result of stumbling in the dark. I believe that if that happened before August 1, 1945, the only kind of compensation he or his dependents could get would be through claiming against the shipping company. I may be wrong in that, but that is my information.

Again, the same thing might happen while a ship is at sea. She is blacked out; a seaman falls—perhaps over lumber in the cargo.

Mr. CHEVRIER: He cannot claim under this act.

Mr. GREEN: He gets absolutely no compensation. He could have claimed under the act if it had happened after August 1, 1945.

Mr. CHEVRIER: Yes.

Mr. GREEN: My point is that there is no help for those men between 1939 and August 1, 1945.

Then, referring again to sickness, I know of a case in Vancouver respecting a young lad who at an early age joined the merchant navy and caught a tropical disease. His health has been ruined, but he can get absolutely no help. There are many cases of that type which should be covered by some kind of legislation.

I know the objection has been raised that there would be no report made as to how the injury happened or how the disease arose, but I would point out that all ships have log books in which the facts would be carefully entered and, furthermore, there are port doctors at every port and records would be available from those sources.

Something must be done and done as soon as possible to help these merchant seamen. They are far too restricted, and I am afraid the difficulty is that they fall between two departments, the Department of Transport and the Department of Veterans Affairs. It seems to me that we would get around this difficulty if we decided to treat them as members of the fighting forces. The general public has always considered that the men of the merchant navy were in the fighting forces, and His Majesty the King made a statement early in the war that the merchant navy was really the fourth arm of the services. During a portion of the war they had I think, more casualties than any other branch of the service. Canada has not treated her merchant seamen in the way they should have been treated.

Mr. CHEVRIER: Canada has treated her merchant seamen as well as the United Kingdom and the United States have.

Mr. GREEN: The United Kingdom has never given sympathetic treatment to her merchant seamen. I do not know about the United States and I do not really care. In my opinion, Canada has treated her merchant seamen shamefully and it is time something was done to remedy the situation. I do not see why the act should not be opened up to allow men who were permanently injured while in the merchant navy to get compensation and to provide some assistance for the depen-

dents of those who lost their lives. If help is not to be given in that way, it could be done by amending the Civilian War Pensions and Allowances Act.

The main decision to be made is whether or not we are to treat these men as part of the forces. This suggestion has been made by the legion right across Canada. Just last month the British Columbia command passed unanimously a resolution asking that the same treatment be given the merchant navy as if its members had been members of the armed forces, including vocational training grants, university education grants and other rehabilitation benefits. It is not only a question of compensation; it goes farther than that. For example, they cannot get vocational training unless they take that training for service in the merchant marine.

Mr. CHEVRIER: I do not want to interrupt the hon. gentleman, but this is a bill concerning compensation for merchant seamen in the nature of workmen's compensation. My hon. friend is now dealing with all the benefits to which merchant seamen are entitled.

Mr. GREEN: Are not entitled.

Mr. CHEVRIER: He is dealing with war benefits. I do not see how he can discuss vocational training under this bill. The act was discussed at some length last year, and this bill has to do with one subject only, workmen's compensation for merchant seamen. I will not attempt to interrupt the hon. member if he deals with that, but if he is going to cover the whole field of benefits to merchant seamen, then I submit that that is something which could be discussed on the estimates of the director of merchant seamen.

Mr. GREEN: I submit that I have a right to discuss the various types of compensation which could be paid to merchant seamen and their dependents. I do not think the minister can say, "You must go this far and no farther." He cannot say, for example, that I cannot go back and deal with compensation before August 1, 1945.

Mr. CHEVRIER: I will not attempt to interrupt you as long as you deal with compensation for merchant seamen because you are within your rights, but if you go beyond that and deal with other benefits, then I do not think you are in order.

Mr. GREEN: I submit that I should be allowed to deal with the different types of benefits which should be given to merchant seamen.

Mr. CHEVRIER: You will have every opportunity to do that on the vote concerning the director of merchant seamen.

Mr. GREEN: That may be brought up during the last days of the session.

Mr. CHEVRIER: I assure you it will not.

Mr. GREEN: The minister cannot be sure himself. I do not think this is a case where the minister should draw the line too tightly.

Mr. DEPUTY SPEAKER: I would draw the attention of hon. members to the second paragraph of the explanatory note which reads:

> The sole purpose of the bill is to preserve rights to compensation acquired under the regulations before the act came into force and to continue under the act all proceedings taken under the regulations.

I think the discussion should come within the terms of that paragraph.

Mr. GREEN: I would think that really covers the whole field, but I will not press that point. Finally, I would point out to the minister that these men were given gunnery practice; they were assigned to guns on ships and were really treated as men in the forces.

Mr. GIBSON (Hamilton West): They were not paid like that.

Mr. GREEN: The Secretary of State had better keep out of this if he does not want to have his fingers burned. I might mention that they did not get any gratuities. We have had the argument thrown up before by members of the government that these men got good pay and therefore they should not get any further consideration. That is entirely too hard-boiled an attitude to take, and besides it is not correct.

Mr. CHEVRIER: I do not think the government has taken that attitude.

Mr. GREEN: The Secretary of State—

Mr. CHEVRIER: He has not suggested that.

Mr. GREEN: —is trying to show that they got a lot of money.

Mr. GIBSON (Hamilton West): I did not say that at all.

Mr. GREEN: That is what you meant. If the Secretary of State wants to go into that question, I have the facts on that also. I think he will be surprised to find out how little these men did get. They are the forgotten men of Canada of the last war, and it is time this parliament took action to see that that condition is changed.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, I want to endorse what the hon. member for Vancouver South (Mr. Green) has said, both that part of his speech which was in order and that part which was out of order. I believe that the compensation feature with which we are dealing should be extended beyond the time the order in council came into effect.

Mr. CHEVRIER: Prior to?

Mr. MacINNIS: Prior to. I think the minister will remember a case I brought to his attention in 1943 or 1944. This young sailor in the merchant navy was injured, he was not only crippled but he was paralyzed for life. This boy had a really wonderful physique, but because of his accident he will never walk again. Although the minister and members of his staff made all the inquiries they could when I took up the matter, and although they had the assistance of the Minister of Veterans Affairs (Mr. Mackenzie), it was found that nothing could be done for this individual. I am sure that is not a lone case, that there must be many others in the same circumstances. I think it is imperative that consideration be given to making this measure retroactive to 1941 or whatever other time should be specified to take care of all those who were injured in the merchant navy.

Mr. W. A. McMASTER (High Park): Mr. Speaker, I was surprised at what the hon. member for Vancouver South (Mr. Green) said in reference to the number of seamen who have taken advantage of this act. I remember, when this bill was up in the house before and a large department was being created, I stated that I thought one stenographer could look after the whole thing.

Mr. CHEVRIER: I think the hon. gentleman misunderstood what the hon. member for Vancouver South said. He was not referring to those who had taken advantage of this act but to those who had taken advantage of the Civilian War Pensions Act, which is an entirely different thing and shows the danger of going off on a tangent when discussing compensation.

Mr. McMASTER: Regardless of that, I would ask the minister when he replies, now or in committee, to tell us the number of seamen who have taken advantage of the act and to give us the cost of its administration.

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, first I wish to say that I agree with the two Vancouver members who have preceded me that this act should be made retroactive to the beginning of the war, because a large number of merchant seamen suffered serious injury during the war and received no compensation. I know of several cases myself and one in particular I brought to the attention of the house, that of a boy who lost a leg and was crippled for life but could not establish a case for pension, and he will not come under this compensation legislation.

I rose primarily to get information. I should like to know if this act applies to Canadian nationals serving on ships of foreign registry. Many hundreds of Canadian nationals who served during the war on ships of foreign registry lost all the benefits that were applicable to Canadians who sailed on Canadian ships. This is something that should be rectified, and I want to be sure that this act is not carrying forward this injustice perpetrated by previous acts brought down by the government.

Second, I wish to know the mechanics of the minister's department with respect to an application for compensation. How is the application to be made and what are the rates that will prevail? Are they the rates of the province in which the seaman has his domicile? I know the rates are pretty well uniform across Canada, but they vary slightly as between provinces. I should like to have these questions answered, and I trust that the minister will give serious consideration to making this legislation retroactive.

Mr. CHEVRIER: I wonder if I might answer those questions after the bill gets second reading.

Mr. C. C. I. MERRITT (Vancouver-Burrard): Mr. Speaker, I want to support the appeal of other members of the opposition requesting the minister to make the act retroactive before 1945. The kind of case to which the hon. member for Vancouver South (Mr. Green) referred of an injury at sea during wartime occasioned by bad weather or black-out is such an obvious reason for awarding compensation to these seamen that I feel that such action can hardly be refused.

I want to say this to the minister—and it arises out of his objection that the hon. member for Vancouver South was out of order in discussing veterans benefits—that even if you do, by this legislation extend workmen's compensation back to 1939 or some date prior to 1945, that is going at the problem of the merchant seamen in piecemeal fashion. To me the really important thing is that we should first establish the principle upon which merchant seamen are to be treated in the period from 1939 to 1945. Once we have established that principle, I do not think we would have this amendment to the act, but

we might have a totally different act or a series of acts which would give to these seamen all the benefits that the veterans of the armed forces received, less perhaps certain items which the minister might feel should be excepted because of the special nature of the service of the merchant seamen. If we go on as we are doing now, simply taking one little bite at the problem, I think we shall find that what has been a grave injustice perpetated on the merchant seamen will continue despite our efforts.

It will not do us any good just to get up and discuss these matters on the estimates. We should first establish the principle that the merchant navy was the fourth arm of the service and the minister should bring in legislation carrying out that principle. Then he might find that it would be better to deal with compensation cases before 1945 through the veterans affairs department, rather than under workmen's compensation. All during the war these merchant seamen were treated as civilians. I have the reference in 1942 when the then minister of finance, in refusing to exempt merchant seamen from income tax, gave as a reason for his refusal the administrative difficulties in exempting people employed by private owners of ships. The administrative difficulty there apparently was the only thing that made these seamen liable to income tax.

Mr. DEPUTY SPEAKER: I hesitate to interrupt the hon. member, but I should remind him that this bill deals with compensation to merchant seamen for injuries sustained. I do not think the act is wide enough to allow of a discussion of the income tax merchant seamen pay or of other benefits they might receive for having served in time of war, and I would ask the hon. member to confine his question to compensation for merchant seamen.

Mr. MERRITT: I shall certainly endeavour to keep within Your Honour's ruling. I mentioned income tax merely to illustrate what I was going to say. When we find that because these men are treated as civilians administrative difficulties interfere with their exemption from income tax I very much fear that even if we carry back the workmen's compensation principle before 1945 we shall come up against other administrative difficulties which will again put obstacles in the way of these seamen receiving benefits. I submit to you, sir, that I am speaking very much to the principle of the bill and the principle of the whole question of compensation for merchant seamen when I say that if a more generous principle were adopted behind this present measure, and if the merchant seamen were treated as the fourth arm of the service, then we would find this bill containing more generous provisions for the merchant seamen than if we continue to treat them as individuals who were engaged in a normal civilian pursuit, which is obviously the principle upon which this bill was founded.

It must be quite clear when you consider the figures, 1,400 merchant seamen in 1939 and 13,000 in 1945, that these men were not there in a normal civilian capacity as merchant seamen, but were there directly in pursuance of the war effort. When you have met some of them and learned their ages and the fact that many of them were schoolboys and that most of them had not engaged in seafaring before the war, then again it seems perfectly apparent that we must not treat them as civilians and must not provide for them only the kind of benefits which are ordinarily accorded people in a civilian capacity.

The very fact that this bill is a workmen's compensation bill worries me more than any other feature of it. If the government intended recognizing the other and more important principle, here would have been a splendid opportunity to introduce it. One could go on multiplying examples of the way in which these individuals were treated as civilians, doing an ordinary civilian task. For instance, there is the case of vocational training, which was restricted to those who wished to continue their career at sea. When you look at the figures of the total who served, and think of the size of the merchant navy before the war and in 1947 again you see that was not intended as a war benefit. The idea that these people were carrying on a normal civilian trade was prevalent in the minds of the officials of the department if it was not present in the minds of the minister and the government. I urge the minister, before his estimates come down, to give further consideration to changing the whole principle and dealing with the whole subject at one time.

Mr. D. G. ROSS (St. Paul's): During the last war a great many boys from my riding, a great many boys from the great lakes, who tried to enlist in the army or the air force were turned down because they were not fit, and these boys went into the merchant marine and fought the battle of the Atlantic.

How many of you members of the House of Commons have been out sailing in the early spring when your dinghy upset? How many of you have been out in the cold waters in different places at that time of the year? How

many of you have done that? How many of you have had an awful time getting to shore? How many of you have tasted the cold waters for two hours, or maybe an hour and a half, before being rescued?

Mr. SINCLAIR (Vancouver North): We give up.

Mr. ROSS (St. Paul's): Who said that?

Mr. SINCLAIR (Vancouver North): I say we give up.

Mr. ROSS (St. Paul's): I cannot hear you.

Mr. SINCLAIR (Vancouver North): You asked a question.

Mr. ROSS (St. Paul's): If you would speak a little louder I would hear you.

Mr. SINCLAIR (Vancouver North): You asked a question.

Mr. ROSS (St. Paul's): I do not know whether you are a seafaring man or whether you have ever been on the water in your life, but if you do not know what you are talking about, please do not interrupt.

Mr. SINCLAIR (Vancouver North): I was overseas in this war and I came back.

Mr. ROSS (St. Paul's): Are you a sailor? Have you ever been on the water? Have you ever been in the water for five hours without being rescued? I am making my speech and I know what I am talking about. I have been four or five hours in the water without being rescued and I know what it is like. A great many of our lads from the great lakes went on the ocean. I know four boys who were in penitentiary and they got out for service in the merchant marine when they could not get out for other service because they were not fit. Should they not have compensation?

How would you like to be on a raft today, Mr. Speaker? How would any of the other members of the House of Commons like to be on a raft for two or three days? Have we had any members who have had the experience of being torpedoed?

Mr. SINCLAIR (Vancouver North): The Minister of Reconstruction.

Mr. ROSS (St. Paul's): I wish hon. members would keep their mouths shut.

The ACTING SPEAKER (Mr. Golding): I must ask the hon. member to withdraw that statement.

Mr. ROSS (St. Paul's): I withdraw it, but the interruptions become annoying.

The ACTING SPEAKER (Mr. Golding): Such language is not to be used in the house.

Mr. ROSS (St. Paul's): I am sorry it has been used and I withdraw it. I wish the Minister of Reconstruction (Mr. Howe) were in his place now; I wish the hon. member for Quebec South (Mr. Power) were here. They have had the experience and they know what it is like to be in the water. The boys that I have been talking about did a good job in the battle of the Atlantic and we should give them credit for what they did. As a matter of fact, our troops have far better care than these boys who were on the boats. They were taken from here, there and everywhere. They had practically no care at all as far as medical examination was concerned, until we had the manning pool set up, and then we took them from every place. They did a good job for this country, for Great Britain and for the United States as well, and they deserve every consideration that is given to any of the armed forces.

Take tne question of dental care. Well, they did not have any, not even after the pool was set up.

The ACTING SPEAKER (Mr. Golding): I must ask the hon. member to deal with the bill before us, which has to do with compensation.

Mr. ROSS (St. Paul's): I will just try to make a little plea. The bill deals with compensation. It deals with compensation before 1945.

The ACTING SPEAKER (Mr. Golding): Workmen's compensation.

Mr. ROSS (St. Paul's): Yes, workmen's compensation. If you do not call these people workmen, I do not know what they are. They work just about as hard as any people I ever knew on the job they have to do. Why they should be cut off from workmen's compensation before 1945 is beyond my comprehension. I should like to make a plea for them on this basis. I believe we should have at least workmen's compensation for them. That is the least we should have. I hope I shall not be called out of order when I say that they ought to have much more. I am talking about workmen's compensation now. They should have much more than everyday workmen's compensation and should be treated exactly the same as are members of the armed forces. They cannot get workmen's compensation to put them through the universities. Nevertheless they did a job for Canada, did they not? Certainly they did. That cannot be forgotten. They do not get workmen's compensation for disabilities which they had before workmen's compensation came in. Those boys did not have workmen's compensation when they risked their lives on

rafts in the Atlantic ocean when they were torpedoed, but they got the food over there just the same.

I cannot say very much more about them and workmen's compensation, because the government will not do anything for them. But if you want to have a lot of communists around, you can have them if you do not take care of these boys who were incapacitated during those early years and who have no workmen's compensation. Perhaps I have not expressed myself very well. Perhaps the government do not understand what I mean.

Mr. CHEVRIER: I certainly do not.

Mr. SINCLAIR (Vancouver North): I too.

Mr. ROSS (St. Paul's): I will tell you what I mean, if you would like to know. Let your workmen's compensation for these seamen be equal to that received by the boys who fought in the forces. That is all I say.

Mr. CHEVRIER: It is.

Mr. H. G. ARCHIBALD (Skeena): I should like to say a few words on this bill, although I spoke on it during the resolution stage. I can well understand why a bill such as this is being brought in, but there is just one thing I should like to repeat and it is this. If we are to have a merchant marine and to have such laws apply, we must protect the seamen we have at the present time under existing conditions, even forgetting what they did for us during the war. What I should like to see the government bring in along with this is legislation providing protection for Canadian seamen with respect to getting jobs on Canadian boats and providing that the Canadian merchant marine is not to be under foreign registry, such as Panamanian registry, and subject to no marine laws. The unions are protesting this at the present time because they are having difficulty in placing their own men in jobs. I believe it would be pertinent for the government at this time to bring in legislation which would guarantee these men full employment. They have no such compensation as the other sections of the armed forces have, and the decent thing to do would be to guarantee them employment by having a real Canadian merchant marine.

The ACTING SPEAKER (Mr. Golding): I should like to remind the house that if the minister speaks now, he will close the debate.

Hon. LIONEL CHEVRIER (Minister of Transport): Mr. Speaker, I would not rise to say anything in the debate were it not for the fact that the hon. member for Vancouver South (Mr. Green) has asked certain questions which I think are deserving of a reply.

It is unfortunate to some extent that the debate on this bill has gotten away from its purpose and object. There is no doubt that this debate should not have been one to consider the benefits to merchant seamen. It is one which has to do with compensation for merchant seamen, which is an entirely different matter. In 1946 there was passed by this house a bill which contained the benefits, the compensation and the manner in which compensation should be granted to these merchant seamen. In that bill there was one omission, namely, that those whose benefits or claims arose between the time the regulations came into effect under the War Measures Act in 1945 and the passing of the act in 1946, were not taken care of. There was a gap which the bill seeks to remedy by protecting that right. The only object of this bill is to provide against that, so that any claims which have been filed under the regulations and were not disposed of before the act came into force, will be dealt with in accordance with the terms of the act. That is the only thing this bill deals with.

That brings me to the question which the hon. member for Vancouver South pertinently asks. He says, "Why is it that there is no coverage for merchant seamen prior to the time the regulations came into force in 1945?" and he refers to the Civilian War Pensions Act and a number of cases for merchant seamen which were disposed of under that act. I have no intention of dealing with that act, but I should like to reply to the hon. gentleman and tell him that this matter was considered carefully by the government. First of all, it was considered in 1945 when the war was still on and when the merchant seamen's compensation regulations were enacted, and it was decided then and there, for the reasons which I will give in a moment, that it was not wise to make the regulations retroactive. Then again in 1946, when the act came down, it was debated at some length in the house and parliament gave approval to the principle that compensation be not made retroactive. What I am doing now is simply bringing in an amendment to the act to preserve rights to compensation acquired under the regulations before the act became effective, but not prior to the coming into force of the regulations.

My hon. friend asks why this is done. The reason is this. Today it would be practically impossible, in fact wholly impossible—to establish claims by medical evidence, because in the majority of cases the board would be unable to uncover satisfactory evidence to investigate the claim. We are confirmed in

that position by the fact that the provinces do the same thing. The provinces have compensation for merchant seamen, and what do they do? They do not make their legislation retroactive. I cannot at the moment think of all the provinces which have compensation for merchant seamen, but I know British Columbia has.

Mr. GREEN: They did not have it until 1944 or 1945, did they?

Mr. CHEVRIER: It was quite recent; but they did not make it retroactive, and their reason for not doing so is the same reason as I have given.

Mr. GREEN: It was not their responsibility to look after the merchant navy men.

Mr. CHEVRIER: It was their responsibility to look after merchant seamen within their own province. The legislation we enacted last year had nothing to do with merchant seamen within the confines of British Columbia or Ontario or Quebec. It had to do with merchant seamen on foreign vessels and in certain waters mentioned in the act. So if the provinces came to that conclusion, having had a great deal more experience than we have had in regard to workmen's compensation, I think we can take a leaf out of their book.

Mr. GREEN: Is it not a fact that the provinces cover only the men who are in the coastal trade? What we have been complaining about today is the treatment meted out to the men who were crossing the Atlantic or the Pacific, in the war areas. They are no responsibility of the provinces.

Mr. CHEVRIER: I agree; but that does not detract from the force of the argument I am attempting to make, which is that if the provinces decided against making compensation retroactive, whether it be for merchant seamen or whether it be for workmen in industry or elsewhere, they must have had reasons for it; and the reasons were those I gave. That is why we have followed the same course, because it would be impractical and impossible to establish, by means of evidence today, claims which might have arisen prior to the time the regulations came into force.

Mr. GREEN: The pensions people had the same problem after the last war.

Mr. CHEVRIER: The hon. member made a statement which I certainly think he did not mean, when he said that Canada had treated its merchant seamen shamefully. I am surprised that the hon. gentleman would make such a statement.

Mr. GREEN: I will repeat it right now.

Mr. CHEVRIER: All right; I will prove to the hon. gentleman that it is not so. Perhaps I should not say that; I may not be able to prove it to his satisfaction—

Mr. GREEN: I do not think you can.

Mr. CHEVRIER: —but I intend to place on record what Canada has done for her merchant seamen, and I think the house will agree that we have gone a long distance in coming to their assistance. If Canada has not done more my hon. friend has a share of the responsibility.

Mr. GREEN: Why?

Mr. CHEVRIER: It is not only the government that has the responsibility, because, if I understand the matter aright, a committee was set up, the veterans committee—

Mr. MERRITT: You do not understand it rightly.

Mr. GREEN: You do not understand a thing about it, then.

Mr. CHEVRIER: Let me go on, and we shall see whether or not I do. The director of merchant seamen was asked by that committee for his advice. He was asked what was being done for merchant seamen, and he wrote the acting chairman giving him a list of the benefits that were granted. He sat in that committee for some time waiting to be called to give evidence, but he was not called.

Mr. BROOKS: Was it not understood in the veterans affairs committee that the Department of Transport would bring in a bill which would give merchant seamen treatment commensurate with that given other branches of the service? For that reason the veterans affairs committee did not press for those benefits. That was our understanding in the committee.

Mr. CHEVRIER: There was certainly no such understanding as far as I was concerned.

Mr. GREEN: But there was in the committee.

Mr. CHEVRIER: I was never approached, nor was I ever told, either directly or indirectly, that was the understanding. I want to make that quite clear.

Mr. BROOKS: If the minister will go back over the evidence given before that committee I think he will find we had an understanding to that effect.

Mr. CHEVRIER: I am not denying that there may have been an understanding, but I

am saying that if there was an understanding I certainly knew nothing of it.

Mr. BROOKS: That is the cause of all the trouble today.

Mr. CHEVRIER: I come back to the point we are discussing now, namely compensation for merchant seamen. I would not have left that but for the fact that the hon. member for Vancouver South said merchant seamen were being treated shamefully. I do not think Canada is treating her merchant seamen shamefully, and I should like to put on record the benefits this country is giving to its merchant seamen. Then, if I cannot prove my point to the satisfaction of the hon. gentleman I shall let the house decide whether or not the benefits given are satisfactory.

Mr. GREEN: On a point of order, Mr. Speaker, I was going to put on record the benefits Canada has not given her merchant seamen. If the minister is now going to say what benefits Canada has given them, then I submit we are entitled to put on record the benefits she is not giving.

Mr. DEPUTY SPEAKER: The minister raised a point of order with respect to a discussion of benefits generally. Do I understand that now he desires to put on record the benefits which are given under the compensation act?

Mr. CHEVRIER: No, I was going to do much more than that. I believe I should be fair with the house, however, and I think the point of my hon. friend is well taken. I was interested in denying the statement my hon. friend has made. He objects to my putting this on the record. There will be another opportunity to do so at a later day.

Mr. GREEN: I do not object to the minister putting it on record if we are allowed to put on record the other side of the story.

Mr. DEPUTY SPEAKER: I think the minister agrees that it would not be in order for him to put his statement on record without unanimous consent, and I am sure he will not do so.

Mr. GRAYDON: Should not both sides be put on the record?

Mr. CHEVRIER: I was simply replying to the charge that our merchant seamen had been dealt with shamefully. A number of questions have been asked to which I could reply seriatim, but perhaps in view of the hour I should reply when we get into committee on the bill.

Mr. GRAYDON: The public should, I think, have both sides of the story.

[Mr. Chevrier.]

Mr. CHEVRIER: The public will have both sides.

Mr. GRAYDON: You had better put on your side and the hon. member for Vancouver South will put on his side.

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

Progress reported.

SPECIAL CEREMONIES

MOTION TO INCLUDE IN OFFICIAL REPORT ADDRESS BY PRESIDENT TRUMAN AND PROCEEDINGS AT UNVEILING OF PORTRAITS

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Before you leave the chair, Mr. Speaker, might I have the consent of the house to revert to motions in order to make at this time the usual motion about putting in as an appendix to *Hansard* the speeches made yesterday afternoon and today. If I have consent I move:

That the speeches delivered at the unveiling of the portraits of the late Right Hon. Sir Robert L. Borden and the Right Hon. W. L. Mackenzie King on Tuesday, June 10th instant, and also the address delivered by Mr. Harry S. Truman, President of the United States of America, before the members of the Senate and the House of Commons in the chamber of the House of Commons today, the 11th of June, 1947, together with the introductory and related speeches, be included in the House of Commons debates and form part of the records of this parliament.

Motion agreed to.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

SUPPLY

VETERANS AFFAIRS—VETERANS' TAXI OWNERS ASSOCIATION OF MONTREAL

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs) moved that the house go into committee of supply.

Mr. G. S. WHITE (Hastings-Peterborough): Mr. Speaker, before you leave the chair there is a matter I should like to bring to the attention of the house. I am glad that the Minister of Veterans Affairs (Mr. Mackenzie) is here tonight and that it was not necessary for me to go on last night in his absence. The matter which I wish to refer to is a matter which I attempted to bring before the house last Thursday on a motion to adjourn the house. At that time Mr. Speaker was of the opinion

that the matter was not urgent and that it was also before the courts. In order to prevent any misunderstanding, I want to state quite frankly that it is not my intention to discuss or to refer to any matter now before the courts as far as the veterans' taxi owners association of Montreal is concerned.

There are a large number of veteran members in the house, and it is hardly necessary to say that they and all other members are much concerned with anything that pertains to the welfare of veterans. That was ably demonstrated during the two sessions when the committee on veterans affairs, consisting of some sixty members from all parts of the house, was sitting. Those members were able to sink and forget all party differences; they all worked together and produced a fine charter for the Canadian veteran.

I would point out that only a few days ago nearly a whole day was taken up in the house in discussing the welfare of 100 Polish girls who had recently come to this country. Those young girls were not citizens of Canada and Canada owed them absolutely nothing, morally or legally. The matter which I wish to discuss pertains to veterans who are Canadian citizens. They are all boys who served in the Canadian forces, many of them with long records overseas. They are veterans on whose behalf the government of Canada has expended large sums of money in the way of gratuities, reestablishment credits and other benefits. Let me say here that I do not think anyone in Canada begrudges one cent of the large sums that have been spent on behalf of our veterans.

When matters such as this have been brought before the house in the past I have observed that sometimes some hon. members are unkind enough to say that it is done for political purposes, political expediency or something of that kind. These veterans on whose behalf I wish to speak, some 500 in number, all live in Montreal. The majority of them are French and the remainder are of various nationalities but all are Canadian citizens. Until ten days ago I did not know there was such an association or company as the veterans' taxi owners association of Montreal, neither had I met any of these boys or had any communication with them.

Mr. KNIGHT: Did the hon. member say that the majority of these veterans were French?

Mr. ROSS (Souris): They are Canadians.

Mr. WHITE (Hastings-Peterborough): They are all veterans of the Canadian army.

Mr. KNIGHT: I understood the hon. gentleman to say that the majority were French.

Mr. HARTT: That is right.

Mr. MacINNIS: The majority are Canadians.

Mr. HARTT: Why should the hon. member be so surprised about that?

Mr. REID: You would not call me Scotch; I am Canadian.

Mr. HARTT: Of Scotch descent.

Mr. REID: I am a Canadian.

Mr. HARTT: You are of Scotch descent.

Mr. REID: There is only one nationality, Canadian.

Mr. HARTT: I appreciate that.

Mr. WHITE (Hastings-Peterborough): I regret that there has been any misunderstanding because I thought that I had made it clear that all these are veterans; I am sure I said they were Canadian citizens, that they had all served in the Canadian armed forces and that many of them had long records overseas. I proceeded to say that their number was in the neighbourhood of 500, that the majority of them were French-speaking and that the remainder were of various nationalities.

Mr. HARTT: That is all right.

Mr. WHITE (Hastings-Peterborough): I am quite sure that is what I said. Is there any objection to that?

Mr. KNIGHT: May I explain my position? I simply wanted to know whether they were French citizens or French-speaking Canadians.

Mr. MACKENZIE: They are Canadians.

Mr. WHITE (Hastings-Peterborough): I am sorry, I cannot say whether they are French-speaking or English-speaking. In my opinion it does not make a particle of difference.

Mr. ROSS (Souris): They all fought for Canada.

Mr. WHITE (Hastings-Peterborough): They are Canadian citizens. There has been set up in the government the Department of Veterans Affairs which is charged with the administration of all matters pertaining to veterans. I think it is right to say that in the administration of this department and in dealing with veterans affairs certain principles should be strictly adhered to, and I think three of those principles are most important. First, there should be absolute integrity on the part of all officials in D.V.A. in their dealings with veterans. Second, in the interpretation of legislation and regulations pertaining to veterans the spirit of the law rather than the exact letter of the law should be followed.

Third, the acts of all officials of D.V.A. in handling veterans matters should be binding on the Department of Veterans Affairs. I do not think anyone in the house can quarrel with those three simple principles.

In the spring of 1946 a considerable number of veterans in Montreal wished to be re-established and become the owners of taxicabs to be operated in that city. One by one those boys went to the Montreal office of the D.V.A. where they were directed to an official who was in charge of car priorities, whose name was Leopold Ferland. He explained to each veteran the manner in which he would have to apply for the various credits, the necessity of obtaining a licence from the city and various other matters having to do with obtaining a taxicab and going into business. Apparently a great many veterans in the city of Montreal consulted the department and Leopold Ferland on this matter, because early in May all the veterans who had consulted D.V.A. received a telegram from Leopold Ferland asking them to attend an urgent meeting in the city of Montreal on the 13th of May. At this meeting some fifty odd veterans attended, and from D.V.A. there were two officials, Leopold Ferland and a Mr. Levesque, who acted as chairman of the meeting. At this meeting there was considerable discussion of the veterans becoming reestablished and going into the taxicab business.

I am told that in the city of Montreal there are two taxicab associations, the Diamond taxi association and the LaSalle taxi association. Many of these boys were anxious to become associated with these two existing associations, and so it was decided that a small delegation should go to these two existing taxicab associations and sound them out whether or not they would be prepared to accept a fairly large number of veterans. Mr. Ferland of D.V.A. agreed to go with them as an official. Someone said it might be practical or wise, in order to put a little pressure on the taxicab companies already established, if the veterans would form their own association, but no action was taken at that time. Then it was suggested that each of the veterans present should pay the sum of $50. I am advised that on that occasion some thirty-eight veterans of those present paid $50 to Leopold Ferland, and at the same time Mr. Ferland advised the veterans that any veteran who did not have the money with him would be perfectly welcome to call at his office at D.V.A. the next day or whenever they had the money and make the payment.

I am further advised that the next day and the following days a fairly large number of veterans did call at Leopold Ferland's office in D.V.A. and paid their $50. About two weeks later Mr. Ferland called another meeting, and at this meeting some 250 veterans turned up. At that time I am informed that some 200 veterans or thereabouts, maybe a few more or a few less, had paid their $50 to become associated with this new taxi association. It was agreed then that they would accept 250 veterans into the association. Such matters were discussed as insurance for the taxicabs and things of that sort. Mr. Ferland reported on his negotiations with the other two taxi companies, which was to the effect that only a few veterans could be absorbed. He reported on a trip to the city of Ottawa to consult certain D.V.A. officials regarding 250 priorities and explain to them various matters which he said would justify the officials in Ottawa as to a certain colour for the cabs, and one thing in particular, that the cabs should be all painted in the factory so that when they were delivered to a dealer there would be no possible chance of the dealer selling them to anyone else. I should have mentioned that at the second meeting Mr. Levesque of D.V.A. was the presiding chairman.

Mr. Ferland called a third meeting in July, and at that time he gave no information to these 250 veterans that he had already obtained a charter in the province of Quebec for the incorporation of a joint stock company, nor was there any accounting given or made in any way of the various sums of money that had been paid in to him. The question of insurance was further discussed, and it was agreed that the sum might range between $15 and $20 to be paid by each veteran to cover one large insurance policy. It was also decided that each veteran would pay in $20 a month as fees to this association. Many of the boys paid their insurance then or shortly afterwards, and they started to pay their $20 a month beginning from the time they received delivery of their taxicabs.

Things appeared to be going along very well, but in August of 1946 some of these veterans began to suspect that things were not as they should be. So some of them got together and called a meeting, and somewhere around 300 veterans attended. Mr. Ferland was present and Mr. Levesque was chairman of the meeting. It was at this meeting in August that for the first time these veterans were advised that a charter had been issued for the veterans' taxi owners association of Montreal. The charter was not produced. The reason given was that some amendments were being made by the department at Quebec. It was also brought to the

attention of the veterans for the first time at the August meeting that the company had been capitalized at $26,000, divided as follows: ten ordinary shares, par value $100, 250 preferred shares, par value $100. Then a bombshell was sprung on them when they were advised that only the holders of the ten ordinary shares were allowed a vote in the company, and of these ten ordinary shares no fewer than six were held in the name of Leopold Ferland.

The veterans were then advised for the first time that they had nothing to do with this new company entitled the veterans' taxi owners association of Montreal, since none of them held a share in it, and if any one of them wanted to have any connection with or any say in the administration of this company they would have to buy a share at the price of $100. They were further advised that if they did not have the money small payments of $10 would be accepted. I am told that some forty-three veterans have paid the amount of $100 for their shares.

There was great confusion at this meeting. It broke up in great disorder. After that, many of these veterans tried to make some kind of personal investigation on their own behalf into the affairs of this taxi association and to find some trace of what had happened to their money. Apparently they were unable to get anywhere, and in December of last year a number of these veterans banded together and decided to raise a small amount of money among themselves to obtain legal advice and to go to the legal department of D.V.A. I understand that 391 of these veterans are in this association I speak of and that they have subscribed and put up somewhere around $7,000 for legal advice and things of that kind.

I do not wish to go over the long list of interviews they had with officials of D.V.A. I would simply mention that they consulted Colonel Hague of the department in Montreal. They saw a Mr. Campbell, who, I am advised, is in the legal department in Montreal. They were in Ottawa in January, when they had an interview with General Burns and Mr. Gunn. This matter was fully gone over in Montreal and fully gone over again in Ottawa, and at the suggestion of General Burns they were asked to see the solicitor general. I am advised that they did have an interview with him and had a second interview with him in January in Montreal. In February they had a further interview with General Burns in Ottawa. I am told, whether it is correct or not, that the Royal Canadian Mounted Police had made an investigation into this matter, and the veterans were advised by General Burns that D.V.A. could take no action, that the charter had been granted by the government of Quebec and that anything Leopold Ferland had done in connection with the formation and operation of this veterans' taxi cab owners association had been done after he had left the Department of Veterans Affairs.

I am advised that Mr. Ferland either left or was discharged from the Department of Veterans Affairs some time in September, 1946. I am also advised that Mr. Levesque left D.V.A. some time in March, 1947. I may be wrong but that is the information that has been given. The veterans had a further interview with one Colonel Painchaud of the legal staff of the department in Ottawa. He went to Montreal, and once again, with Colonel Hague, the whole matter was gone over. Colonel Painchaud was unable to do anything for them. They had a final interview in May of this year in Ottawa with Mr. Woods, the deputy minister, General Burns and Mr. Gunn as well as Colonel Painchaud. Once again the whole matter was gone over from start to finish and they were told to return the next day to hear what decision had been reached.

The boys came back the next day and had an interview with Mr. Gunn and they say they were advised that D.V.A. could take no action in the matter. Mr. Gunn did tell them that if there was no publicity in the matter D.V.A. would attempt to interfere and endeavour to get control of this company or association from Mr. Ferland and that the money to be used in connection with it would have to be supplied by the veterans.

As I said at the beginning, I did not wish to refer in any way to the action of these veterans through their own counsel, or to any matters before the courts, but to mention only one thing, and that is that a sum in the neighbourhood of $200,000 was involved, apart from the amount spent by each individual veteran for his car.

Mr. MACKENZIE: It was $26,000.

Mr. WHITE (Hastings-Peterborough): Instead of having what they assumed they were getting, a mutual association which would be for the benefit of veterans, which would be controlled by them, in which they would have the say and the direction, and in which, if there were any profits, they would share, they now find that they have a joint stock company in which they have no share or control. They are unable to buy any one of these ten shares which carry the vote. They are obliged to pay $100 for a share if they wish to have any connection of any kind with the company.

I would point out that it was Mr. Ferland, an officer of the Department of Veterans Affairs, who called all these meetings. He called only the boys who had consulted him at D.V.A., and a second official of D.V.A., Mr. Levesque, presided at all these meetings. Mr. Ferland assured them he would go with them as an official of the department to negotiate with these taxi companies, that he would come to Ottawa. He did go to the companies; he did come to Ottawa; he did get priorities and all the other things he had mentioned. He told them to come to his office and pay the moneys and the veterans went to his office and paid the moneys there. I do not think there can be any doubt that Mr. Ferland, during the time he was connected with D.V.A., led the veterans to believe that he was acting as an official of D.V.A., and that D.V.A. was behind them in looking after their interests, because I would point out that when it was time for the boys to return home there were certain officials in the army who had been given special training in regard to reestablishment and rehabilitation of our veterans, and these trained men travelled on the boats that were bringing the troops home. It was a part of their duties to explain to the returning veterans what Canada was going to do for them, to explain the matter of gratuities, reestablishment credits, educational benefits, V.L.A., and everything of that kind.

One of the things impressed on all these returning veterans was that when they returned home they should take no action without consulting D.V.A. They were especially warned of all the various rackets that would be developed and that an attempt would be made to put these rackets over them. I would refer to a small blue book entitled "Back to Civil Life." Probably every member has read it. This is the third edition, October 15, 1945, issued under the authority of the Right Hon. Ian A. Mackenzie. It is a creditable book, because it sets out in a clear and concise way all the information which the veteran would be looking for. It tells him how to take advantage of all the benefits Canada is providing for him. I would read two paragraphs at page 25:

80. Evidence has already come to light indicating that a few unscrupulous persons are prepared, by various means, to cheat veterans of their benefits under the War Service Grants Act. Veterans are therefore advised to consult the Department of Veterans Affairs before making any commitments involving the use of their reestablishment credits. Heavy penalties are imposed both on veterans and those who assist them in unauthorized use of the reestablishment credit.

81. The Department of Veterans Affairs is most anxious that any evidence indicating fraud be brought to the attention of its nearest office at once so that appropriate steps may be taken to eliminate the danger of veterans' reestablishment being impeded through the expenditure of their benefits under this act in other than their best interests.

It seems to me that these veterans were simply following out the sound advice that had been given them. It was emphasized that they should consult D.V.A. and that is exactly what they did. These boys, who consulted an official of the department in Montreal, instead of receiving the help and guidance to which they were entitled, received the very opposite. I would remind the house that under the War Service Grants Act of 1944, under sections 21, 22 and 23, provision is made for certain penalties to be imposed in connection with this very section that I have read from the little bluebook.

It may be all very well, Mr. Speaker, for those of us in the house who are lawyers to pick all sorts of flaws and draw many conclusions as to why this large number of veterans acted in this manner, why it was so easy for them to be defrauded and have this nefarious scheme put over on them. But I would say that in all fairness we must remember that when many of these boys enlisted they were very young. Many of them were just out of school. The experience of those who had jobs was somewhat limited. When these boys have followed the advice which was given to them, namely, to consult the Department of Veterans Affairs, and when they now find that they have been defrauded out of certain benefits which Canada has been providing for them, it is hardly fair now to put the blame on them.

To date, as far as I can find out, the Department of Veterans Affairs has taken no action in this matter. What the report of the Royal Canadian Mounted Police contains naturally I do not know, but the minister has access to that. I would submit that it is the responsibility of the Department of Veterans Affairs to rescue these veterans from the almost impossible position in which they find themselves today. It is also the responsibility of all members of this house, whether they are veteran members or not, to protest against this shameful and disgraceful conduct of an official of the Department of Veterans Affairs. I submit that if nothing is done we shall find that many of these veterans—and many of them are still very young—who gave splendid service overseas will lose the financial benefits of their gratuities and reestablish-

ment credits, and will have little chance of being successfully reestablished in civil life.

As I said at the beginning, in the past it has always been the earnest wish of members of this house to protect the interests of the veteran in every possible way. I would urge the Minister of Veterans Affairs (Mr. Mackenzie) and the officials on the legal staff in his department to intervene before it is too late.

In conclusion, I should like to thank hon. members for the courteous and careful attention they have given me. I have tried to keep away from any reference to the court action and I have also tried to avoid saying any harsh words. It is hardly necessary to say to the veteran members of the House of Commons that, while these boys may reside in another province than the one in which I reside, we veterans do not recognize any race or creed. I especially appeal to the veteran members to support this not unreasonable request which I have made to the Minister of Veterans Affairs.

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): Mr. Speaker, the first observation made by my hon. friend was that I was not in the house last night. I wish to remind him that I was here at ten o'clock and later on in the evening—at which time he was not here—and I referred to his motion sympathetically.

Mr. WHITE (Hastings-Peterborough): I appreciate that.

Mr. MACKENZIE: May I say that I have no complaint whatsoever with respect to the observations made by the hon. member for Hastings-Peterborough (Mr. White). However, he made one misstatement of fact, probably through inadvertence. He said that Mr. Ferland—and I shall deal with him in a moment or two—was in charge of car priorities. I wish to inform the hon. member and the house that there was no such work, duty or office in the Department of Veterans Affairs.

I shall now deal with this matter briefly if I may, and not in opposition to what my hon. friend has said, because we at once took such action as we could take. We have received representations on various occasions from members of the veterans' taxi owners association of Montreal. I must advise the house that at the present moment our department is unable to find that we have any right or authority to intervene in the situation which has developed. I wish to review the facts. I think my friend has been accurate in his review.

Mr. WHITE (Hastings-Peterborough): Might I just say to the minister, before he reviews the facts, that I have carefully read the statement of claim which was drawn and filed by an outstanding legal counsel in Montreal, and most of my information is taken from that?

Mr. MACKENZIE: I am not disagreeing with it at all. In the first place, Leopold Ferland during the early part of 1946 was a temporary employee of the department in the Montreal district. He was engaged in the reestablishment credit division and his duties included meeting veterans who required their reestablishment credit for various purposes. During the course of his employment Mr. Ferland came into contact with many veterans who desired to use their reestablishment credit for the purchase of automobiles to be used as taxis. The availability of reestablishment credit for such purposes is authorized, as my hon. friend well knows, by the War Service Grants Act. I think he himself quoted the section.

It is alleged—and we must be careful about these matters because they are before the courts—that Mr. Ferland seized the opportunity thus afforded of meeting veterans so inclined, to promote the idea that they would be able to conduct their taxi operations more successfully if they were organized into an association. It appears that Mr. Ferland was able to interest a large number of veterans in such organization and with their consent, express or implied, proceeded to obtain the incorporation of a company under the laws of the province of Quebec, known as the veterans' taxi owners association of Montreal. The structure of the company shows the incorporators to be Napoleon Bigras, Paul J. Ahela, Emilien Montambault—all chauffeurs—and Leopold Ferland, civil servant, of Montreal. The financial structure of the company consisted of $26,000, divided into ten common shares of $100 each and 250 preferred shares of a value of $100 each. It may be mentioned that these preferred shares do not carry, as my hon. friend knows, any voting rights.

Mr. FERGUSON: May I ask a question just there? Is Mr. Ferland who appears in this charter a civil servant?

Mr. MACKENZIE: I am coming to that. If my hon. friend will have a little patience, I will tell him what the situation is.

It is stated that all veterans who became members of this company did so by the acquisition of one share of the preferred stock, for which they were required to pay the stipu-

lated par value. It is also stated that each veteran was required to pay to Mr. Ferland, as my hon. friend mentioned, as part of the promotional expenses of the plan the sum of $50. I say it is stated; I am not saying it is a fact; I do not know.

The plan of operation of the association was to supply to its members such services as telephone communication, certain garage service, station privileges and similar things, at a cost to each member of $20 a month, as stated by my hon. friend. It is stated that the association is now and has been in operation for several months. The complaint of the veterans referred to by my hon. friend seems to consist of charges that Mr. Ferland misrepresented to them the nature of their interest in the association. The complaining veterans said they believed that they were in fact obtaining a participating interest in the company whereby they would become entitled to a share in the profits. It is evident that all they have are the preferred shares, which, of course, consist only of a claim against the company for payment of the amount of the shares at some time in the future together with interest at three per cent per annum. The veterans also claim—and I am using these words very carefully—that they paid the sum of $50 to Mr. Ferland, as stated by my hon. friend, under misapprehension as to the purpose of such payment. It is also claimed by certain veterans that all the common shares have been issued to Mr. Ferland and his immediate associates, that Mr. Ferland has complete control over the operations of the association and that he is unwilling to account to the shareholders in any proper manner.

The activities of Mr. Ferland in connection with this business first came to the attention of the department in July, 1946, at which time Mr. Ferland was on sick leave; he was not on active duty in the department. As soon as he returned, his resignation was obtained. It seems clear that most of his activity connected with the development of this association and putting it into operation was carried on during the time of his sick leave. The action taken with respect to Mr. Ferland's resignation from the department was due to what at that time appeared to be a breach of the regulations, which prohibit any employee from engaging in private business during office hours. This is tantamount to dismissal,* and was then and is still the only action open to the department.

From time to time during the last several months the department has received delegations representing the dissentient veterans mentioned by my hon. friend. They have consistently requested the department to take some active steps leading to the solution of their difficulties. The department has thoroughly studied the whole situation, and has taken the stand that there were no grounds upon which the department as such could intervene. It was pointed out to the veterans that inasmuch as the department did not suffer financially, and inasmuch as no reestablishment credit money had been improperly granted—not by the department—the department has no status as a party to the dispute which has developed among members of this corporation. However, the department did request the Royal Canadian Mounted Police to investigate and report on the possible violation by Mr. Ferland of the War Service Grants Act or any other law. As the result of such report the department was confirmed in its opinion that if any action were taken it must be taken in the courts of the province of Quebec by those who hold themselves aggrieved. It is understood that the complaining veterans have engaged counsel, as mentioned by my hon friend, and commenced criminal proceedings in the courts of Montreal against Mr. Ferland It is further understood that these veterans have also engaged other counsel to commence civil proceedings in the appropriate courts of the province with the object of obtaining from Mr. Ferland a proper accounting and such other relief as may be available at law for their grievances. It may be pointed out that the employment of Mr. Ferland by the Department of Veterans Affairs was obtained through the usual channels of the civil service commission.

That is the complete story as far as I have been able to find it from the records of the department; but if the house would care to have the public accounts committee or any other committee go farther into it, I should be more than pleased. If there are any concrete suggestions as to what may be the responsibilities of the department through the defalcations or wrong procedure of one of our officials I should be very glad to have those suggestions sent to me and to make representations to my colleagues accordingly. I am in thorough agreement with what my hon. friend has said. I have not the slightest criticism to offer, and it was a great disappointment to us to see that one of our fairly senior officials was responsible for these indefensible practices. That is all I can say.

Mr. GREEN: What about Captain Levesque? The minister said nothing about him.

**See also p. 4228, June 17*

[Mr. Mackenzie.]

Mr. MACKENZIE: I do not know about him at all. That was news to me tonight when it was mentioned by my hon. friend. I shall be glad to look into it. Has he not been dismissed also?

Mr. WHITE (Hastings-Peterborough): I could not say whether he has been dismissed or whether he resigned, but I understand that he left the department in March, 1947.

Mr. ROSS (Souris): Before the minister sits down, in view of the statement that has been made, would he say when Major Ferland went on sick leave?

Mr. MACKENZIE: In July.

Mr. ROSS (Souris): He simply went on sick leave last July?

Mr. MACKENZIE: I am speaking subject to correction.

Mr. ROSS (Souris): It was approximately in July, 1946, then?

Mr. MACKENZIE: I must check on that.

Mr. J. A. ROSS (Souris): I should like to substantiate what my colleague the hon. member for Hastings-Peterborough (Mr. White) has said this evening. I interviewed some of these boys when they were here, heard the statements they made, and saw the brief to which the hon. member has referred. While I am not going to take much time, or repeat all the details my hon. friend has placed before the house, I find difficulty in deciding where government responsibility ends in things of this sort. The hon. member read from the bluebook on civil reestablishment. Certainly all the young chaps in the armed forces were distinctly led to believe that all sorts of things would be done for them. In fact, during the war years I used to claim that they were being oversold by the department and the government on all the things that were to be done for them when they returned to this country.

Mr. MACKENZIE: And a lot has been done for them.

Mr. ROSS (Souris): I quite agree that considerable has been done for them; but I say it was put across to them both overseas and in this country as to what the government or the country was going to do for the boys when they came back.

Mr. ROWE: Especially at election time.

Mr. ROSS (Souris): No; I am not talking about elections or anything like that right now. I definitely believe that, after all those years of propaganda, these boys had a right to look to the Department of Veterans Affairs for guidance, as has been pointed o by my colleague. Naturally they thought anything they were told by the department, or anything coming from the department, would be protection for them.

Now then, this Major Ferland, according to this brief, in April, 1946, was located in an office of the Department of Veterans Affairs at 379 Common street, Montreal. The minister has not denied that. He was working there for the Department of Veterans Affairs. According to this brief, in April, 1946, Major Leopold Ferland was an officer with the Department of Veterans Affairs. Then there was this other officer—according to the brief a Captain Levesque—who also was an officer with the Department of Veterans Affairs at that time.

Then they spoke of another meeting about two weeks later than this first one, held in April, 1946, and a third meeting on July 9.

Mr. MACKENZIE: My hon. friend is always fair, but is it correct to discuss what is before the courts at the present time?

Mr. ROSS (Souris): I am not referring to the courts at all. I am referring just to this particular case, and have not made reference to the courts. I do not know anything about the courts, but I do know about this case. The minister said that the company had, to date, about $26,000; but he will readily realize that these boys are out of pocket much more than that—apart from their gratuities or rehabilitation allowances.

An hon. MEMBER: No.

Mr. ROSS (Souris): Well, a number of these boys told me that they could prove that some 500 veterans were out of pocket approximately $230,000. I have only their statement. I have not the details, and I am not now going into details. I am not asking the house to take those figures.

Mr. HARRIS (Grey Bruce): I should like to know.

Mr. ROSS (Souris): I have only the statements made by a number of those boys. It was Mr. Sweet who told me. All I am doing is giving the house the statement of those boys.

There is something wrong somewhere; nobody denies that. I am not stating exactly how much they are out, but I am giving the figures they gave me. They were led into this on the basis of good faith by an official of the Department of Veterans Affairs of the government of the day.

After what I have said, I believe they have some right to think they were working with the responsibility of the government behind them. In view of all that has been done, and all that was sent out to those boys during their years of service, they have a right to think that.

Another chap—and I could give the name if the minister wished to have it—claims that he spent five and a half years overseas and that he has invested $2,500 in this concern. I am not, of course, saying that all that amount consists of gratuities and rehabilitation allowances. He stands to lose most of it, as things are today.

I have said I do not want to repeat details, but I wish to substantiate the argument so well set out this evening. The point I want to make is this, referring to page 25 in that book, that there was a gesture made toward all the young men and women of the armed services throughout the war years which would lead them to look to officials of that department for guidance, and to believe that their funds would be protected. In the same article they were warned against anybody else who might get hold of their funds.

The point I make is—and I have no doubt the minister is as much concerned as we are—that I am wondering where government responsibility ends in this matter. That is the point. I am of the opinion that, since civil servants undertook to develop these funds, even if they were comrades of the past war, by virtue of the fact that they were employed by the Department of Veterans Affairs of this government there should be governmental responsibility somewhere toward those boys. That is the only point I wish to make.

I had a great deal more detail which I could have pointed out, but it would be only repeating what has already been said. I wish to impress that upon the house; and I should like to impress the further fact that this is a government responsibility to some extent. I am not able to say just where it should end.

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, I am sure every hon. member would support the statement made by the hon. member for Hastings-Peterborough (Mr. White) in protest against what appears to be a betrayal of trust by an official of the Department of Veterans Affairs. I do not think there is any department in which there should be more careful supervision, and there should be a close check to prevent this kind of thing. The men who put their money into this venture did so in good faith. These men, under the circumstances which exist today, where there are several hundred of them, are looking for redress.

The minister says action was taken last year. I understand that Mr. Ferland was dismissed by the department in September; but the information I have is that another officer who, I believe, was in charge of rehabilitation of crippled veterans—Captain Levesque—continued his activities with the company up until March.

I also understand that in February the Royal Canadian Mounted Police were called in to make an investigation. The minister stated that action was taken. On February 23 the mounted police were called off. They must have given some report to the department at that time.

Mr. MACKENZIE: They were not called off, I can assure the hon. member.

Mr. CASTLEDEN: Well, they completed their investigation, but—

Mr. MACKENZIE: I must ask for the withdrawal of that remark. The Royal Canadian Mounted Police were never called off by our department.

Mr. CASTLEDEN: They did not continue their investigation.

Mr. MACKENZIE: That is a matter entirely for their discretion. We do not control the Royal Canadian Mounted Police. We gave instructions to go ahead and investigate.

Mr. CASTLEDEN: They probably completed their investigation, then, on February 23. They must have tabled some report with the government. What action was taken on that report when it was tabled? It seems to me they still had a responsibility in their work until Mr. Levesque was dismissed, or given his release.

Mr. MACKENZIE: I will be glad to look into that point. I have not the precise information at hand at the present time. But I do know this, if I may interrupt, that the attitude of the deputy minister all the way through was to pursue this matter to the very limit.

Mr. CASTLEDEN: I was also pleased to hear the minister say tonight that they were considering further action. But we want to know what he will do further. I would suggest this, that surely veterans in this situation require the assurance from him that the government will make good any losses these men have suffered as a result of what appeared to be a breach of the trust which

they placed in officials of this department. To the extent that that is given, the matter can be cleared up. That is the least we can expect from the department under the circumstances.

Mr. DENTON MASSEY (Greenwood): Mr. Speaker, I wish to say that perhaps I have had more to do with veteran reestablishment than most in this chamber; and the situation which arises out of this debate puts, I think, the Department of Veterans Affairs in a most invidious position.

During the latter days of the war, certainly throughout the Royal Canadian Air Force, there was a concerted effort, both overseas and later in Canada, to lead the then becoming veterans on the right path. At Warrington, in the United Kingdom, there were no less than sixteen personnel counsellors who interviewed upwards of seventy per cent of the returning veterans. Later, in the release centres of Canada—and once again I am speaking about the Royal Canadian Air Force—each veteran was interviewed before he left the service. At my own release centre in Toronto, not only did he have that interview, but also an address was given to him by a representative of the Better Business Bureau, warning him against this sort of practice which allegedly has developed in Montreal. Further than that, there were scores of personal interviews conducted both by myself and my officers with these lads, and in many instances we were able to save them from getting into something which was not good. I am safe in saying that in 100 per cent of all cases, we confidently referred these lads to the D.V.A.

The hon. member for Hastings-Peterborough (Mr. White) has quoted tonight from the booklet "Back to Civil Life". That is an excellent publication and he could have gone on with his quotations. That booklet was more or less a bible for the lads. Certainly it was emphasized to them that before they did anything they should see the D.V.A. to know what they are doing. I am speaking now as a former serving and commanding officer and we, to use service language, "plugged" the D.V.A. as hard as we could and tried to build it up as a responsible organization, a department created, not only to look after the interests and needs of the veteran, but to protect him against those who wished to deprive him of that which he had been given and had so richly earned.

We have the situation here where these lads went to a representative of the D.V.A., in fact to two of them and, again using the language of the service, they have been "let down". That is a serious reflection upon the department and, therefore, the department must take action. The minister has said tonight that action has been taken, that one officer left the service last year and that another left the service as late as March of this year. He says the matter virtually rests there, but that is not good enough. It is unfair to the other officials of this department which we are discussing tonight. It puts them all, to a greater or less degree, under a certain amount of suspicion. Can we trust the D.V.A.? That is the challenge to the minister. It goes much farther than this one case.

To remove it from that realm for a moment into the business realm, if a company is a representative company, a good company and has a name which is valuable; if it desires to protect its good will, and one of its accredited representatives misrepresents that company to such a degree that a customer or client is hurt, retribution is made as rapidly as possible. That is the way in which good will is maintained. It is not just a question of the customer always being right; there can be no question but that the veteran is right. It seems to me that the challenge is clear for the government, not only the department, to give immediate consideration to complete retribution to these lads, not only for the sake of the lads themselves, but for the sake of the name of the Department of Veterans Affairs and all that that implies for the future The challenge is clear. Let the minister act quickly.

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, let us be fair about this thing—

Mr. GREEN: That is all we are asking.

Mr. MITCHELL: Up to now it has been veterans only who have discussed this thing. I understand that the people who have been charged before the courts are veterans. It may be that what every hon. member has said is correct, but is it fair to prejudge the case? One of the fundamental laws of our country is that a man is not guilty until proven guilty by a jury of his peers.

Mr. MASSEY: Why were the men dismissed from the department?

Mr. MITCHELL: If a man in any department works out of hours, he is acting contrary to the civil service regulations. This session we have heard talk of human rights;

let us have some human rights in this regard. My hon. friend, who is an old air force man, talks about counsellors. I am an old navy man. We were counselled not to play crown and anchor, but we used to play it just the same and we lost lots of money, or at least I did. Let us get a proper focus. Do not let us prejudge these men as guilty, even though they may be guilty from your point of view, until they have gone through the procedure of the courts of this country which, in my judgment—I do not except Great Britain in this regard—are the fairest on God's green earth.

I think that is the only attitude we can take at the moment. Let the courts have their say. Let these men whom some hon. members opposite think are guilty have their day in court and not prejudge them in the open as some of us are trying to do this evening. Let them be tried by a judge and a jury of their peers if necessary. Then, if they are guilty, we can discuss the matter again. Let me say this: There is no legislation on earth can make a fool into a wise man.

An hon. MEMBER: You should know.

Mr. MITCHELL: Let me say this to my good socialist friends—

Mr. COLDWELL: We did not say a word. We were just listening, but we were thinking though.

Mr. MITCHELL: Some people find it difficult to think. Let me say to my good socialist friends that some of the thoughts which they have expressed in this House of Commons they will find most difficult to enforce should they ever—and they never will—be charged with the responsibility of administering the affairs of this country. I plead with my returned friends this evening to give these individuals, guilty as they may be from their own personal points of view, the rights to which they are justly entitled, to appear before the courts of this country to be tried by a judge and jury and found to be guilty or innocent. Then we can talk about the matter.

Mr. DEPUTY SPEAKER: When this discussion started this evening it was mentioned that the matter was before the courts, but the Speaker did not know just what was before the courts. The Minister of Veterans Affairs has stated that there is a criminal and a civil action pending. It is difficult for me to determine when hon. members are discussing matters which are before the courts, but I think we have been quite close to it at times. I do not want to rule any discussion out of order, but I would ask hon. members to be careful not to discuss a matter which is now before the courts and which might affect anyone concerned in a criminal or civil action. As I say, it is most difficult to determine just when we are discussing matters which are *sub judice,* which all hon. members know is improper to do. I ask for the cooperation of all hon. members.

Mr. C. E. JOHNSTON (Bow River): Mr. Speaker, I have been extremely interested in the rehabilitation of veterans ever since they began coming back from overseas. When I say that I am cognizant of the fact that every member in this house is also much concerned with the welfare of the veterans, having in mind the great sacrifices which some of those men made for this country. I was surprised at the Minister of Labour (Mr. Mitchell) making the remark he did, and I just want to refer briefly to that in passing

Mr. MITCHELL: Have you never played crown and anchor?

Mr. JOHNSTON: I am not confessing my sins tonight. The Minister of Labour went to some pains to state to the house that there should be fair play in this matter and that everybody should have his day in court. It struck me that the Minister of Labour was endeavouring to have the government evade their responsibilities and nicely get out from under the difficulty they found themselves in.

Mr. MITCHELL: I do not think anybody can fairly accuse me of trying to get out from under anything. The hon. member for Vancouver South (Mr. Green) paid me a compliment in that regard this afternoon. So far as I am concerned, I am not getting out from under anything. The hon. member is imputing motives.

Mr. JOHNSTON: No.

Mr. MITCHELL: Yes, he is.

Mr. JOHNSTON: I said that is what it looked like.

Mr. MITCHELL: If the hon. member wants to talk politics let him do it outside this house.

Mr. JOHNSTON: The Minister of Labour cannot put over anything like that tonight. He has had his day in court and now he should sit down and listen to those who are putting forward their views. It seems to me quite

clear—and I think the Minister of Labour has overlooked this—that the government definitely acknowledged its responsibility in this matter when it discharged its former employees. I believe that the Department of Veterans Affairs are attempting to be fair, but when they went so far as to have representations from these different organizations come to them they did know that there was a transaction taking place that was not in the interests of the veterans. When the government has so persistently advocated that all veterans should accept the services and advice of the D.V.A. and act on their advice and thereby avoid these pitfalls which are now apparent, the government definitely recognized the dangers that lay ahead.

In this particular case it is clear to anyone who has listened to the facts presented tonight that the government did recognize that they were involved and, once having recognized their responsibility, they cannot lightly brush this whole thing aside by discharging an employee or two. If everybody is to have his day in court, as the Minister of Labour has suggested, the fair thing to have done was not to discharge those men. That was not fair, according to the interpretation of the Minister of Labour. These men should have had their day in court—

Mr. MITCHELL: If I may interrupt my hon. friend, I do not know whether he is conversant with the civil service regulation that if a civil servant wants to engage in activities for gain outside his regular office hours he has to have the permission of his minister. These people did not, and so they were out.

Mr. JOHNSTON: As I understood the brief presented by hon. members to my right, the transaction began in office hours, and meetings were called while the department was employing these men.

Mr. MITCHELL: Under the regulation governing civil servants, an employee cannot work out of office hours for monetary return without the permission of the minister. If he does, he is out. That is all. He does not have to do anything wrong necessarily.

Mr. KNOWLES: But this took place in office hours.

Mr. JOHNSTON: The minister is not implying, is he, that the Department of Veterans Affairs discharges a man if he has not done something wrong. If that is the attitude of the department, my opinion of the department is lower.

Mr. MACKENZIE: May I interrupt my hon. friend? I think it would be in the interests of the whole house to refer this matter to the public accounts committee, finish this debate, and get on with the business of the house.

Mr. JOHNSTON: I am coming to that. I have it here in my notes.

The second place where the government recognized their responsibility—and I am of the opinion that they did recognize their responsibility—was when they asked the R.C.M.P. to investigate. I take it that the department asked the R.C.M.P. to investigate this matter while Mr. Ferland and Mr. Levesque were still in the employ of the department. If that is so, they definitely recognized their responsibility there, believing that these veterans were being defrauded. Then, having taken the advice of the R.C.M.P., to whose report they had access but of course we have not, they discharged these employees, thereby endeavouring to wash their hands of the whole affair. That does not seem to me to be the proper way to deal with a situation of this kind.

The Minister of Veterans Affairs has suggested that this whole matter be referred to the public accounts committee. I am not sure whether I agree with that suggestion. I have been on the public accounts committee for a number of years, but in this case it seems to me that the government has a direct responsibility and that it should not be shifted on to a parliamentary committee—

Mr. MACKENZIE: I rise to a point of order, Mr. Speaker. I submit that this whole discussion is out of order because the case is *sub judice*. I have made the suggestion that this case be referred to the public accounts committee, and that suggestion has not been accepted by the hon. member for Bow River (Mr. Johnston). I raise the point of order that this discussion is out of order.

Mr. JOHNSTON: Surely every speaker is not out of order just because he disagrees with the minister. That would be a new rule if that were so. I did not say I was absolutely opposed to having this matter referred to the public accounts committee. I was objecting to its being referred to the committee at this time, because that would be an excellent way for the government to get out from under its responsibility in this matter by shifting it to a parliamentary committee.

Mr. MITCHELL: Let us have some decency in this discussion. Do not forget that there are veterans on both sides of the house. My hon. friend has suggested switching this matter

from the House of Commons to a committee while the case is *sub judice*. That does not add up.

Mr. JOHNSTON: That was the suggestion of the Minister of Veterans Affairs.

Mr. MITCHELL: Some of my hon. friends who are applauding loudest are prejudging this question.

Mr. ADAMSON: We are not prejudging the question. I love the Minister of Labour; I just adore him, he is so charmingly illogical. I have listened carefully to the argument tonight and all we are trying to do is this. We say that the government has a responsibility toward these veterans, and the Department of Veterans Affairs has a responsibility toward these veterans entirely irrespective—

Mr. DEPUTY SPEAKER: Order. Is the hon. member speaking to a point of order?

Mr. ADAMSON: Yes, Mr. Speaker. There is a definite point of order which the Minister of Veterans Affairs has raised as to this discussion being out of order because the case is *sub judice*. The question raised by the hon. member for Hastings-Peterborough (Mr. White) has nothing to do with the courts. The point he is bringing out is that the Department of Veterans Affairs has a responsibility toward these veterans, absolutely separate from any court proceedings taking place in Montreal. That is the question before the house, and I submit, sir, that it is entirely in order.

Mr. DEPUTY SPEAKER: So long as hon. members confine their remarks to veterans affairs and refrain from references either to the civil action or to the criminal proceedings, they may continue to discuss the subject. I think hon. members will realize the difficult position in which the Speaker finds himself. The debate has gone on for some time and I am not altogether satisfied that it has been quite in order, but I would ask hon. members to cooperate and endeavour not to discuss the matter in any way that will relate it to the court proceedings.

Mr. JOHNSTON: I appreciate your difficulty, Mr. Speaker, and I wish to have my remarks conform to the rules, but we have the minister calling me to order and asking you to make a ruling because I said that this matter should not be sent to a committee, and then we have the Minister of Labour saying that I am out of order and asking for another ruling on the ground that it should not be sent to the committee. You are indeed in a difficult position. I did not make either of those suggestions.

An hon. MEMBER: Who did?

Mr. JOHNSTON: The Minister of Veterans Affairs suggested that it should go to the committee and the Minister of Labour said that it should not, and both said that I was out of order because I said that it should not go to the committee at this time. There would be less discussion if the two ministers would get together and decide what to do. I did say, Mr. Speaker, that I thought the situation was too serious for the government to send it to the public accounts committee, thereby putting the responsibility on a committee of this house. I think the government definitely showed their responsibility in this connection when, first they discharged these men and, second, when they caused the Royal Canadian Mounted Police to make an investigation. I suggest that, in all fairness to the veterans concerned and to the Department of Veterans Affairs as well, the government should make an investigation of their own, and not a parliamentary committee investigation. They should make the decision and, if that decision is not satisfactory to both parties, then it will be time—that would be the opportune time—to have the whole matter referred to the public accounts committee for further investigation.

Mr. JOHN T. HACKETT (Stanstead): Mr. Speaker, sometimes when I attempt to address the house appeals are made to you to restrain me from speaking, but I hope that this evening the topic of my observations will be free from controversy. You have been asked to preclude this debate from going farther because there is a case before the courts of Montreal. I have learned from the public journals that there is a case in the criminal courts and in the civil courts, but that is not the case concerning which I now wish to say a few words. My observations will be directed to the case of the veterans against the department of my right hon. friend (Mr. Mackenzie). No such case is before the courts.

There are some subjects, as you well know, Mr. Speaker, concerning which the right hon. gentleman and I cannot always agree. Politics is one of them. But I must say that I have never been to the minister with a question in which the veterans were concerned when I did not have a sympathetic hearing and did not get all that it was humanly possible for him to do.

It is not my function to advise either the government or the house as to the legal rights of veterans against the department. At law—and I see that the solicitor general was

recently conversing with the right hon. gentleman—I doubt whether there are rights which can be enforced in the courts. But the facts are that these taxi drivers, 400 or 500 of them, returned men, have lost large sums of money.

Mr. JEAN: Has that been proved? That is the point.

Mr. MITCHELL: That is the point before the courts.

Mr. HACKETT: Mr. Speaker, the fact is that 400 or 500 taxi drivers in Montreal have lost large sums of money—

An hon. MEMBER: Claim to have lost.

Mr. HACKETT: —and they have lost these sums of money because an employee of the Department of Veterans Affairs was false to his mandate. Someone may say, are you going to prejudge this servant of the department? Well, I will say that if I do prejudge him I am but following the example of the department which dismissed him summarily for his participation in this case. But the point I wish to make is that these men claim that they have lost these sums of money because this employee of the department was false to his mandate. If this employee was the cause of their loss, as they contend, it was not the fault of the veterans; it was the fault of those who selected the man and put him in the position which enabled him to be false to his duty and the veterans.

That may not give rise to a claim at law. Undoubtedly the department did not engage this man for the specific purpose of betraying enabled him to be false to his duty and the veterans.

Mr. MACKENZIE: These employees were not appointed by the department at all but by the civil service.

Mr. HACKETT: That is one of the questions which the minister may wish to investigate a little further, and inasmuch as there are a number in the same category, the opportunity for going into them will arise if the suggestion which I am going to make to the minister is, in his appreciation, a feasible one.

The fault was not the fault of the veterans. A man masquerading as the friend of veterans was false to them and the veterans in consequence have suffered irreparable loss. The Minister of Labour says, why prejudge them? Why not await the finding of the court? That sounds reasonable enough.

Mr. MITCHELL: It should sound reasonable to a lawyer.

Mr. HACKETT: It sounds reasonable enough. The difficulty is that 500 veterans, every one of whom every man and woman in Canada wishes to help, have been put in the position that if they must wait for the final decision of the court, it will be too late.

Mr. MACKENZIE: Will my hon. friend forgive me? I hate to interrupt him.

Mr. HACKETT: The minister does not disturb me in the least.

Mr. MACKENZIE: According to the statement of the men themselves, they are all working and earning a living with the cars purchased with their money, part of which may have been derived from war service gratuities or reestablishment credits.

Mr. MITCHELL: They are all working. That is the point.

Mr. HACKETT: I do not think my right hon. friend will wish to rest his case on such a weak and wavering reed as that. My right hon. friend knows—and his heart is too big for him to contradict it—that most of these men are in a serious plight. Their earnings and the bulk of their gratuities have been pledged and lost through the duplicity of an agency of his department.

Mr. MACKENZIE: There is no proof of that.

Mr. HACKETT: If they must await the outcome of the trials, relief will come too late and this group of valiant soldiers will have to suffer a damage which cannot be made good.

Now, what is my suggestion? We have attempted, whenever occasion arose, to be helpful to those who answered the call of duty. As a country we have done well by our veterans. Daily we are sending aid abroad, even to the enemy, even to those who fought against us, because we are proud of our humanitarianism. Here is a group of veterans who have suffered through the blighting of their hopes, if in no other way, as no other group of veterans has ever suffered in Canada. I am going to suggest to the right hon. gentleman that this matter be not shoved aside. I do not think he wants that to be done. I am asking him to give play to those generous sentiments for which he is known in the house, to bring into being some kind of committee or commission which can find out how much these men have lost, and to bring before the house some kind of legislation which will make them whole and do that immediately. But there is a danger in attempting legislation of this kind unless it be surrounded with all possible safeguards. The

investigation should be minute and complete, and should be undertaken immediately. It should be made clear that the government is not responsible to everyone who is damaged by reason of the acts of a government employee. But this is an exceptional case. This is the case of men who have returned from overseas service who not only have been invited but have been supplicated not to be led astray by the ordinary businessman or by the ordinary shark on the street; they have been asked to go and place their confidence in the right hon. gentleman's department in order that they might have there the protection and the direction to which their bravery and their overseas service entitled them. They came and gave to the department all the confidence to which the house believes it is entitled. It happens that there was someone there who was false to his mandate, but we cannot let it go forth that our veterans are to suffer in a group numbering five hundred merely because a wolf in sheep's clothing has found his way into the fold of the right hon. gentleman opposite.

Mr. KNOWLES: That is an understatement.

Mr. HACKETT: The way to deal with this is to set up a commission or committee tomorrow or the next day. Let my right hon. friend find two, three or four competent people to sit on it. Let them sift the facts. Let them make restitution to these men. Let the case in the courts proceed. If the plaintiffs succeed, let there be given back to the government whatever is recouped or recovered at the end of one, two, three or four years. But in the meantime the veteran, he who has fought, he who has suffered, he who has been wronged should be enabled to recover now that which was improperly taken from him through the abuse of the confidence he placed in the Department of Veterans Affairs.

Mr. MITCHELL: May I ask—

Mr. HACKETT: If the hon. gentleman will resume his seat for a moment, I will make way for him very shortly.

Mr. MITCHELL: I just wanted to ask a question; that is all.

Mr. HACKETT: I ask the Minister of Veterans Affairs in this case, and possibly only in this case, to let his big heart dominate the other factors which are prominent in his generous make-up.

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

[Mr. Hackett.]

DEPARTMENT OF TRANSPORT

402. Departmental administration, $544,000.

Mr. MACKENZIE: I would ask that the item stand.

Mr. BRACKEN: Before the suggestion of the minister is acceded to, I wish to ask some questions. How many departments are now in supply and how many are not?

Mr. MACKENZIE: I am speaking from memory now, but my recollection is that we have fifteen departments in supply before this item is called. This would mean sixteen departments in supply, and four more to be called.

Mr. BRACKEN: The minister advises that fifteen or sixteen departments are now in supply.

Mr. MACKENZIE: Sixteen.

Mr. BRACKEN: And that some three or four remain. He is asking now that another department be put in supply. I do not think anybody in this house wishes to delay its work, but I cannot understand why the government desires to have more departments called when practically no estimates at all have been voted. As I see it, when these departments are all called, the government could then go into supply in the latter half of the week without anybody having the right to debate. As long as some of these departments are not in supply, when the government moves to go into supply early in the week, any grievance anyone may have may be raised at that time. I do not think that right should be taken away from the opposition.

Mr. MACKENZIE: May I say a word just here?

Mr. BRACKEN: Yes. All I want to know is why the government desires to have more of these departments called. If you need sixteen now, why have you been taking them two or three at a time over the last two or three months? Why not do it all at once and have done with it?

Mr. MACKENZIE: We tried to do it several times. May I again give my hon. friend the assurance that any Monday, Tuesday or Wednesday, when the question of supply is contested and a request is received from them, we can call one of these items still remaining, at their request, so that they can vent any grievances they may desire to present; and that will apply until the last two or three days of the session. I hope my hon. friend will be satisfied with that.

Mr. BRACKEN: That is a purely voluntary offer which I have no doubt the govern-

ment will honour, but we do not want to be in the position of having to ask your favour when we want to speak.

Mr. MACKENZIE: It is not a favour; it is a promise.

Mr. BRACKEN: Then I ask another question. Can the minister say why, when there are fifteen or sixteen departments in supply, they want to put in another one?

Mr. MACKENZIE: To help expedite the business of this house.

Mr. BRACKEN: Already we have fifteen or sixteen departments to deal with, and you have five or six or seven or possibly eight weeks to go in order to get the other departments in.

Mr. MACKENZIE: I hope not. My hon. friend may recall that last year we held up one department, legislation, with the promise I made tonight to the opposition and the other parties in the house, that if they decided to raise any question on going into supply on Monday, Tuesday or Wednesday they would have the absolutely free and unfettered right of discussion on that item; and I think that meets the situation.

Mr. BRACKEN: Then this is a perfectly fair question. Will the minister tell me what advantage it will be to the house by way of expediting the business to have sixteen departments in supply rather than fifteen? I do not know, and I should like to be told.

Mr. MACKENZIE: I can tell my hon. friend that I have been here for nearly twenty years; and it has been my experience, not only when we were over there but when we were over here, that in the last week or ten days of every session whatever government may be in office is severely criticized for not having made greater progress in supply. I can also tell my hon. friend there is no sinister motive at all behind this. If my hon. friends do not want another department after tonight we shall just leave them as they are.

Mr. BRACKEN: But you have not answered my question.

Mr. POULIOT: I just want to put a question that may be answered the next time the estimates are brought in. Last year enormous amounts of money were voted for the assistance of returned men. Several acts were passed; I do not know what chapters they are, but you, Mr. Chairman, know the acts I am referring to. What I want to know the next time the estimates are submitted to the committee is, how many members of the Canadian army have been given the advantages of the legislation passed last year, and how many members of any other army, the imperial army or any other, have been given the same advantages? I want to know also to what extent the privileges given—

The DEPUTY CHAIRMAN: Order. The item before the committee is 402, providing that $544,000 be granted to His Majesty for transport, departmental administration.

Mr. POULIOT: Yes, I know.

Mr. MACKENZIE: On a question of privilege, if I may reply at once to my hon. friend, as soon as the Department of Veterans Affairs is in supply I shall be very glad to answer all the questions my hon. friend has mentioned. It is not in supply as yet. This is the Department of Transport.

Mr. POULIOT: We are before the committee now, and I do not ask that the question be answered this evening. I do not want to back the minister to the wall.

The DEPUTY CHAIRMAN: Order. We are on transport; departmental administration.

Mr. MACKENZIE: I move that the item stand.

Mr. BRACKEN: Might I get clearly from the minister what he proposes now? He is asking that one more department be put in supply, and he is saying that the remainder—?

Mr. MACKENZIE: Will be left over until after consultation with the leaders of the various groups in the house.

Mr. BRACKEN: Thank you very much.

Mr. POULIOT: This is not the estimates; this is the cinema, the moving pictures.

Item stands.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

200. Departmental administration, $531,954.

Mr. TIMMINS: When the committee rose last evening, Mr. Chairman, I was dealing with the subject of cancer research, and I should like to direct my remarks to that subject for a short time again this evening. I point out that in the estimates of the Department of National Health and Welfare for this year there is no item whatever with respect to cancer research. Last evening the minister said the matter of fighting cancer must engage our fullest attention, but I say now it has received no attention from this government, at least up to January, 1947. Whatever cancer research has been carried on has been done by the national research council. A return filed by the Department of National Health and

Welfare shows that in the eleven years from 1935 to 1945 inclusive, some $4,500 has been spent on research. During the same time 142,000 people died from cancer. As far as I can make out, this government has spent no other money on cancer research. The King George V silver jubilee fund has been in existence for twelve years. The moneys subscribed to that fund by public subscription amount to $490,000, according to the minister last evening.

Mr. MARTIN: Approximately.

Mr. TIMMINS: The National Cancer Institute of Canada was formed in January of this year; and according to the minister's statement last evening it will receive from the fund $150,000 a year for the next three years. That will pretty well use up the fund. The point I wish to make is, what does the government itself intend to do? What contribution is the government going to make to this all-important subject of cancer research? Last evening the minister stated the matter correctly when he said that he had no official connection with the National Cancer Institute of Canada, and that goes for his department as well; so that the institute is on its own.

I take it that all cancer research in Canada will come directly or indirectly under the national cancer institute. With respect to the return to which I referred for a time last evening, some figures were given by the minister or his department on May 29, 1947, having to do with the amount of money spent in cancer research through the national research council; and as I have pointed out already, that sum was less than $4,500. As I understand the procedure, having regard to the national cancer institute which has been brought into being, it will be that the laboratories of the various medical colleges throughout Canada, institutions having proper facilities, and any person qualified to conduct medical research and having the necessary facilities, may apply for a grant in aid, and, if approved, the money will be granted.

But where is the money to come from? From press reports it appears that part of this annual sum of $150,000 will go for administration, and to the Canadian cancer society for public education. In addition, there is the administration of the fund, the setting up of local administrative centres, a national cancer survey; and then the remainder which according to press reports would amount to about $90,000, will be for research. I am pointing out that, of this $150,000 about which the minister told us last night, according to the material I have, there will be only about $90,000 for cancer research in 1947.

[Mr. Timmins.]

It seems perfectly obvious that the universities of Canada which have already taken up this work, private scientists who have the equipment and facilities for doing the work, and research laboratories which will apply for a share of the fund, will more than absorb this paltry balance of $90,000.

I have it on good authority from a friend of mine in Toronto who is interested in the work, that already applications for upwards of $200,000 for research purposes have been applied for this year by responsible institutions. So that it is perfectly clear that the $90,000 which will be left in the hands of the institute will not be nearly enough with which to make much research progress this year. It will be a national calamity and will deal a dreadful blow to the work of the national cancer institute if in the first year of its existence the funds available are inadequate to the extent of not making it worthwhile for the various institutions to prepare a programme to take on the work, and to employ young scientists to do the work over a period of years. I believe the responsibility to find the money with which to find the cause and cure of cancer, over and above the sum which has already been subscribed by the people of Canada, rests upon the dominion government.

It seems to me important to point out that this research work cannot be handled on a year to year budget basis. Research laboratories require the brains of the best young scientists in Canada. We do not want to let them slip over to the United States where they can probably get larger salaries and more continuity of employment, through our shortsightedness in not providing the institute with a fund which will be sufficient to permit it to look ahead and to plan for, let us say, five years.

Last night the minister mentioned a three-year plan. He mentioned it only in respect of paying over the money from the King George V fund to the institute. But I am suggesting there must be continuity to the extent of a five-year plan, if the national cancer institute is to survive, and if it is to be useful to the people of Canada. The fact of the matter is that the government cannot afford to let the institute only flutter along in 1947. Any laboratory, any medical college, any research bureau permitted to take part in this work should be placed in a position to lay down a comprehensive plan so that they can tell young scientists who engage in this work that there is some continuity of employment for them.

Let us assume that the minimum sum required in 1947 or in any future year by

the institute for research purposes will be approximately $250,000. That would be $100,000 more during the next three years than the institute can obtain from the King George V silver jubilee fund.

Again I ask the question: where is this additional money to come from? It must not be assumed that the provinces have not done a great deal of work in relation to cancer research. The fact is that they have been greatly alive to the problem, and have been busy at work. In this connection I should like for a moment to refer to the record of the various provinces with respect to cancer research and treatment.

In British Columbia the annual deficit of the British Columbia cancer institute is made up by the province, in addition to supplying certain treatment facilities. Alberta supplies all clinical, diagnostic and treatment facilities, with the exception of the cost of hospitalization, medicine and transfusion. Manitoba supplies treatment and pathology facilities. Saskatchewan provides complete free treatment for cancer, including X-rays, radium, surgery and hospital costs, under a specialized clinic. Ontario has contributed a grant of several hundreds of thousands of dollars toward the Ontario cancer treatment and research foundation. The Quebec government has made sizable grants for the purchase of radium, and for treatment and research. The other provinces have all assisted in a lesser degree.

I say: Let the provinces look after diagnosis, treatment and radium, and let the rest of the work in respect of finding a cure and a remedy for cancer be looked after by the dominion government, to the extent of whatever amount may be needed by the institute.

The point is that cancer research is a national problem. We cannot permit cancer research in Canada to be sporadic. It must be directed with intelligence, diligence and forcefulness. That, of course, is the express purpose of the formation of the national cancer institute.

I have read carefully the speech made last night by the minister, and I find nothing in it that promises anything more than real interest and attention. The closest the minister comes to extending any help from his department appears at page 4011 of *Hansard,* where he says:

> Whatever assistance comes from the dominion or provincial government—and I am not now making any statement with regard to contributions; that I will do at the proper time—it will be recognized, I am sure that whatever assistance is given a large sum of money will be needed over the period, and there will be large sums needed if the research projects contemplated by the institute are to be undertaken.

There is nothing anywhere in the minister's speech—and I am sure he will pardon my saying this—which says directly that the department will assume any responsibility in respect of this work. Probably he will have some answer for me on this point, but I am pointing out to him that, carefully as I have gone through his remarks, I cannot find anywhere any suggestion that the government will supplement the funds of the national cancer institute.

I fail to see where the Department of National Health and Welfare is putting any effort into this matter of cancer research. The record does not show it. I am not making any attack on the minister. As a matter of fact he has been in the department for only about six months. I am simply tidying up the record in that particular. I am asking, "Where do we go from here, with respect to the funds which will be needed to carry on the work of the national cancer institute?" The $500,000 was contributed to the King George V silver jubilee fund by the people of Canada. Unless the government is prepared to give the Department of National Health and Welfare a substantial amount in this year's estimates, over and above the jubilee fund donation, to take care of research under the national cancer institute, then the federal government had better get out of the field of cancer research. After all, as the minister has pointed out, this is a national problem. We should have some understanding from the minister or from the cabinet to assure us that there will be an appropriation sufficient for these research requirements of 1947. The minister—and I say this in all kindness—has taken a considerable amount of kudos for the setting up of the national cancer institute. I think he is entitled to that, having regard to the fact that he brought together the various interests which brought the national cancer institute into being. He has made some laudatory remarks with respect to his department and the interest they are taking, but I say in all kindness that there is nothing here which says directly that the government is going to take a real hand in connection with providing further funds to see that the work of the national cancer institute is carried on. In that regard I should like to tell a little story. It is about the headmaster of a college who was addressing his boys as they were graduating from college. He said, "As you go out into the world you will find two classes of people, those who do the work and those who take the credit. I would advise you to get into the first class because there's less competition."

I say to the minister that we on this side of the house are prepared to get behind him. We think this work is just as necessary as he said it was last night. We do not think the national cancer institute can do the work it is intended to do of coordinating all efforts in research in the Dominion of Canada unless further funds are provided, so that from 1947 onward it can look after the applications which I understand are being made upon it by institutions and medical colleges throughout Canada for the necessary funds for purposes of research. If the minister asks for supplementary moneys for this year and supplementary years I think he will get it. It is not a matter that should be dealt with from year to year. I do not know how you go about the matter in this house; I do not know how you arrange to vote moneys for more than one year, but I think these particular funds must be provided for over a period of years, otherwise there will not be sufficient money to enable the institute to step forward and carry on a complete and comprehensive work. The minister fathered this baby; he will have to feed it or it will starve to death.

There is another matter in the health estimates on which I should like to speak for a few moments, and I refer to health insurance study. On going through the estimates, I find that apparently there is not a full-time director of health insurance studies. There seems to be a gap there and, after all, this is one of the important things which fits in with the government's social security plans. Further, I note that the vote for health insurance studies this year is down by something over $15,000. That is not a good sign, having regard to the fact that we expect this government to bring in some plan in respect to health insurance.

Mr. MARTIN: You do not always measure a contribution by the amount of money.

Mr. TIMMINS: Probably the minister will have something to say on that, but it seems to me that there is a gap there which ought to be filled in. I am reminded of the paragraph in the speech from the throne which had this to say:

> Once suitable financial relationships have been arrived at with the provinces, my ministers have undertaken to seek, in a general conference or otherwise, to work out satisfactory arrangements with the provinces in regard to public investment and social security measures.

I take it that this matter of health insurance would certainly come in under social security measures. It is one matter which should be dealt with at the earliest possible moment.

The minister has been expansive with respect to this matter of national health. I have referred to this before, but speaking at Hawkesbury on April 23 last he had this to say when dealing with social security legislation in Canada:

> Hawkesbury as a thriving industrial centre has a vital interest in the social security plans of the Liberal government. If they are carried out, as we hope they will be, these plans will bring to the families of this community a greater degree of security and a greater chance of happiness and well being than they have ever had before.

As I pointed out, so far as health insurance is concerned we do not seem to have made any start whatsoever in the matter. In other parts of the country, health insurance has already been started. The Ontario medical association has adopted a programme of health insurance which it is trying to bring into being. It is a prepaid medical care plan with no compulsion on the doctor or the patient; they are both to have freedom of choice. There will be small monthly payments and the plan will be for the whole family. Complete medical care will be provided, including attention by specialists. There will be no conflict with the associated medical services plan which has been in existence for ten years.

Other plans are being brought into being and great credit should be given to the pioneers in this field. The fact of the matter is that too many plans are being brought into operation and it is about time that they were coordinated into one big plan. It seems to me that the first thing that should be done is to complete these studies which apparently have been under way for some time but which now seem to be on the toboggan slide.

Some years ago I waded through all the reports of the social security committee for some considerable time and I read the dissertations of that splendid medical adviser that the department had, Doctor Heagerty. However, the report of that committee seems to have been shelved. In the meantime there are insurance company plans for health and sickness insurance which have been in existence for quite some time. I must say—and I have said this on many occasions—that I am not very much impressed by these plans. I do not think the public are getting the service warranted by the money which they put into quite a number of these plans. It seems to me that the disability which occurs is the thing that is left out of the policy.

Mr. ROSS (St. Paul's): You cannot say that.

Mr. TIMMINS: I have had some unfortunate experiences with respect to that. I am afraid that if anyone differs with me, he will have to speak on the matter. I understand that the civil service here has a plan. That is all very well and I agree with it, but I think the time has come when these plans should be coordinated. There are other factors which go to the root of this whole problem, but the fact is that we should have some plan before us. It is not enough that some business firms in their benevolence arrange proper health protection and sickness insurance for their employees when other firms cannot afford to do the same for their employees.

We all know—and the minister has spoken about this himself—of the sad fact that we are short of hospital beds in every province. A return which the minister made the other day indicates that we are short some 27,000 hospital beds throughout the Dominion of Canada. That is where a start with respect to health insurance has to be made. We have to provide hospital accommodation sufficient to look after the people who are sick if any real progress is to be made in overcoming this problem. In the United States they have already started on a plan. Congress has passed an act appropriating $3,000,000 for a hospital survey of the whole United States to find out where beds are needed and in what quantity, and another $75,000,000 has been appropriated for the purpose of building hospitals allocated to various states.

In Ontario a start has also been made. The government of Premier Drew has agreed to pay $1,000 per bed to help various hospitals provide the accommodation that is needed, and I can say from experience that that programme is already bearing fruit. In Toronto, having regard to the donations received from the city and having regard to the donations received from the province, we have had expansions made in a number of hospitals. The Queen Elizabeth hospital is completing a large extension. The same is true of St. Joseph hospital. The Wellesley hospital has been engaged for the last six months on building and is now completing a large extension. The Mount Sinai hospital has bought a site and is also making a start in providing further accommodation. It seems to me that other governments, other agencies, other countries have stepped ahead of us, and I am saying to the minister that he is a little behind public opinion in respect to health insurance and hospitalization.

There is one other matter I should like to touch on and that is a national health programme. Page 23 of the 1946 report of the Department of National Health and Welfare deals with health insurance and a comprehensive national health programme. But on examining the return which was made on May 7 last for the hon. member for Mackenzie, it would appear that the amount which has been spent on planning and organization for a national health programme is very small indeed, something under $2,500, which is not very much over a period of four years. I would say to the minister and his department that we have been looking for some leadership with respect to these various matters of health insurance and a national health programme and we hoped that such leadership would be reflected in these estimates.

May I close with this summary? First of all there does not appear to be any full time director of health insurance studies. Second, practically nothing has been spent for the last four years in planning and organizing a national health programme. Third, no constructive steps have been taken with respect of health insurance. Fourth, no offer has been made by the dominion to the provinces to implement a national health programme.

There is one other point I should mention. In the return that was made on May 7 last the minister was asked what correspondence had passed, or what offers had been made by the dominion to the various provinces which had concluded tax agreements, to implement any national health programme, and his answer was that no offers to the provinces which had concluded tax agreements had been made to implement any part of the national health programme outlined to the provinces in the 1945 dominion-provincial conference. And so I add that matter to the things which have been left undone.

All the provinces have not made tax agreements with the dominion. Two of the provinces are still without tax agreements. But to my mind that does not limit the responsibility of the minister. I submit that a start should be made in respect of these matters I have mentioned, and I am pointing out to him that with regard to the five items I have mentioned specifically, no start has yet been made.

Mrs. STRUM: I wish to congratulate the minister on calling together the people who are best equipped to deal with cancer and to assure him that I and the group I represent will give him every support in his fight against this dread disease.

There are some other aspects of health that I want to mention at this time, and I do not wish to repeat the arguments put forward so

well by the hon. member for Lanark and the hon. member for Parkdale. I now desire to draw to the attention of the house that Canada suffers dreadful and unnecessary losses yearly because we fail to take care of the mothers and the babies of this country.

During the years of the war our total casualties for the army, navy and air force amounted to 41,000. During the same period in Canada we lost 130,000 babies, or more than three times the number of our war casualties, due to stillbirth or diseases peculiar to the first year of life.

More staggering still is this figure. Since 1926 we have lost well over 350,000 babies during their first year of life, and nearly 21,000 mothers have died in childbirth alone. That would be the equivalent of a city with the combined population of Halifax, Windsor and Ottawa. Were we to see all these people whose lives were thus lost in one place, the number would be equal to the population of Halifax, plus Windsor, plus Ottawa. That is the extent of this loss of human life.

The Department of Health and Welfare has this to say, that our infant deaths, plus our stillbirth losses, will equal the loss of life from all other causes during the next forty-eight years in the entire population. That is, if all the deaths from all causes in the first forty-eight years for the entire population were put together they would not equal this dreadful and unnecessary loss of life in this one category up to one year of life. That indicates where we can make our greatest gain in population. It also indicates that we have not met the needs of our mothers and children.

I want to draw the attention of the house for a few moments to some figures compiled by the Health Study Bureau of Toronto, in which it points out the facts brought out in the Ebbs survey. Many members will be familiar with the survey conducted in Toronto by Doctor Ebbs and with its results. This simple experiment which cost only $25 for a period of from four to five months gave to expectant mothers supplementary items of diet, simple things like milk, eggs, oranges, tomato juice, wheat germ and vitamin D. In this test group the results were striking indeed. The mothers on poor diets who did not receive this supplementary diet had a much higher percentage of loss of life to mother and child. For the same group the loss of life during the six months in the post-natal period is very much higher too. This and other experiments carried on in other parts of the world indicate that our health's greatest need is to pay more attention to nutrition, and in that field we must consider two aspects. We must see that families throughout the country have sufficient income to buy such simple commodities as milk, cheese, eggs, butter, which should be plentiful on every table. The family income is the basis of purchasing. Then we must educate mothers as to the appropriate diet and the need for her own nutrition.

Another thing that came out in these surveys was that in every family where a check was made, in that household the practice was for the mother to feed the father of the family first, perhaps because he is the bread-winner and the family income depends upon him, and after the father's well-being is considered the children came next, the mother being the last consideration when the family meal was put on the table. This can be serious where there is a large family, and it points to the need of taking care of the mother, not only through family allowances, but through milk subsidies and by means of assistance in the way of income tax exemptions.

I wish to speak for a moment about something that is getting a great deal of attention these days. The minister mentioned it last night. I refer to the booklet put out by Lord Horder, "Rheumatism. A Plan for National Action". I was delighted to get hold of this book because it sheds the first ray of hope on an otherwise hopeless picture, and it gives an encouraging report on what can be done. For the benefit of hon. members who may not have had a chance to see it, I would indicate what a mass survey has revealed about the extent of this disease.

In the state of Massachusetts a house-to-house canvass was carried out, and they found that there were more cases of chronic rheumatism today than of heart disease, tuberculosis and cancer combined. That gives us an idea of how widespread this dreadful malady is. In Great Britain, where the London county council has done some valuable work, we find the extent to which young people suffer and to which students are afflicted with rheumatic diseases. In 1936, of the total of prolonged school absences, 26·7 per cent or more than one-quarter were due to rheumatic disease. This is by far the greatest cause of damage in young lives. The percentage due to tubercular disease was 6·8, and they point out that there are at least 200,000 child sufferers from rheumatism in the United Kingdom.

We should know that even in the present state of incomplete knowledge of this disease, this report tells us that many persons can be cured and helped. I quote from page 11:

> Yet it must be insisted that, even in the present state of incomplete knowledge, there is available a range of efficacious treatments, sometimes, happily, obtaining a complete cure, and,

with few exceptions, bringing alleviation of pain and of the degree of disablement. Indeed, it may be said that, if all cases of rheumatic disease were diagnosed in their early stages and promptly submitted to the treatments which present skill can suggest, there would be a prompt and great reduction in the number of lives wrecked by its ravages.

It goes on to suggest what we might adopt as a national objective. I quote from page 32:

The ideal is that every medical practitioner should have sufficient knowledge to detect, or at least to suspect (and, following suspicion, to seek further advice) the first symptoms of rheumatic disease. Like all other ideals, it is humanly speaking impossible of complete attainment; but it must be pursued steadily. It is most urgent in the field of juvenile rheumatism, and among those practitioners entrusted with the care of school children.

It goes on to say that we should have, in addition to a high level of training for the general practitioner, to enable him to detect, and suspect and bring cases to the attention of specialists, specialist centres which shall include not only research but also facilities for teaching. It works out in detail what might be expected of these centres.

Another thing that this report points out, and I think we should notice it and act upon it, is this:

It must be repeated that much of this sacrifice of human well-being is avoidable; there is no refuge in the excuse that since medical knowledge of causes and of the most efficacious treatments is incomplete, nothing can be done. In the majority of cases a great deal can be done. Even if there were no hope of gaining further knowledge by research—which emphatically is not the case—yet the national application of present methods of cure and alleviation would lift much of the burden of rheumatic disease from the community.

This report suggests that in Great Britain they should embark on a seven-year plan. They point out that if attention were given this problem seriously over a period of seven years great things could be accomplished in the field of research and great strides could be taken toward conquering the ravages, on a mass scale, of this dreadful disease. I suggest to the minister that he do the thing suggested last night—proceed without delay to call a conference on rheumatism and arthritis.

Mr. MARTIN: As a result of a consultation which one of my officials has had with Lord Horder and Doctor Wallace Graham of Toronto, the steps I referred to last night have been initiated.

Mrs. STRUM: I am happy to hear it.

I wish now to say a few words about cancer, and I do not want to repeat the arguments put forward so well by hon. members in this debate. What the Department of National Health and Welfare has done in this regard is valuable; I mean putting out material warning us that cancer is a killer. This pamphlet warns us that one in every eight persons will die of cancer, and that is enough to scare the living daylights out of everyone who reads it. The only trouble is, it does not indicate what one must do to find the money to pay the cost of treatment. There are many good publications put out Here is another one put out by the National Cancer Institute of Canada which gives a graphic description of cancer, its characteristics, cancer tissue and so on.

Mr. MARTIN: That is from *Life* magazine, and distributed by the cancer institute.

Mrs. STRUM: It is a supplement, yes. It points out one of the chief causes of fear and one of the chief reasons for delayed treatment. I quote:

Cancer is a chronic disease economically as well as medically. Over the twelve-to-eighteen-month course of treatment, out-of-pocket expenses climb above $1,000, a figure that puts easily two-thirds of the families of the nation, who live on $3,000 a year or less, in the class of medical indigents. The facilities and personnel required to treat cancer are inaccessible, in any case, to the vast majority of U.S. citizens. The 300 approved cancer-treatment clinics are far less than enough to take care of the estimated 300,000 new cases of cancer that turn up every year.

This indicates that we need research. We must have research, and we hope that steps will be taken to coordinate the work of the researchers and help to finance their programme. But in addition to that we must have treatment centres; we must have hospitalization. We must make provision for surgery. There must be provision to pay for the cost of radium, deep-ray and any of the new treatments that come up.

This brings me to the figures the department has given me in answer to my inquiry about the loss of life from cancer during recent years. I find that the cancer casualties during the war period were 95,627 as compared with 41,000 casualties in the theatre of war. So that actually here in Canada our losses were twice as heavy from the killer cancer as they were in the shooting war where our men were engaged in actual physical combat. That indicates the magnitude of this problem. Here is what we as a nation were spending on cancer through our appropriations for the national research council. In those years from 1939 to 1945 we spent only $4,364.50. According to the figures I gave a moment ago, it would cost at least $1,000 apiece to treat those cases, so that we should

have been spending a great deal more than that. Had we spent $1,000 each on those cases it would have cost $95,672,000. Of course we do not know how many could have been saved. In the course of treatment we shall uncover better and newer methods of treatment and, finally, through a combination of clinical and research effort, I hope we shall get this disease under control.

In closing, I merely wish to remind the minister of the proposals of the government of Canada in their brief to the dominion-provincial conference on reconstruction.

Mr. MARTIN: They are ever in my mind.

Mrs. STRUM: Here I think the government did an excellent piece of work. Quoting from page 30, I notice it says:

In May, 1944—

And we should remember that this was before the last election.

—a conference was held at Ottawa which was attended by representatives of all the provinces.

And so on. Farther down it says:

Since the meeting in 1944, health insurance has been further considered by the federal government in the light of the views expressed by the provinces . . .

That is the part that I found interesting. This was the last session of parliament before the election of 1945.

. . . In the speeches from the throne which began the session in January, 1944, and which closed the session in January, 1945, the federal government declared again its desire to bring in a nation-wide system of health insurance as soon as suitable arrangements could be made with the provinces. It was stated that this would be one of the subjects to be brought up at the dominion-provincial conference to be held as soon as possible following the general election.

Then it sets out the various aspects of the scheme for health insurance. I would plead with the government to do for health what they have done in the field of taxation, and to permit the provinces individually to take advantage of health schemes and to work out on the basis of individual agreements steps whereby they can adequately finance health programmes. The report so well sets out the proposals covering the various aspects of the steps by which this could take place. This indicates that the preliminary work has been done. The Marsh report and these reports indicate that we do not need to go on spending money in finding out what to do. We know what to do. These terrible diseases which cause so much suffering and such great loss of life indicate that you must have an overall, blanket scheme of health insurance so that people may have periodic examinations to detect incipient arthritis, to detect the first symptoms of cancer, to give help to the pregnant mother when she needs it most, to care for the pre-school child, to take care of the old people. Until we do that we shall have this terrible and unnecessary loss of life, and we shall be tearing our hair about the sparse population, and asking where we shall get immigration and how we shall populate this country. Yet we lost in cancer deaths alone, twice as many people as we lost in the war, and we lost more than thrice as many babies. Every day we suffer the loss of broken homes through the unnecessary deaths of young mothers. I would urge the government not to wait until Ontario and Quebec come in, not to wait for another dominion-provincial conference, but to permit the provinces separately to save the lives of their people; because, after all, it is the provinces that have jurisdiction and responsibility in the field of health.

Mr. FLEMING: Any suggestion in connection with the revision of the procedure of the house must always take account of the necessity of finding some means of shortening the time spent in the house without the sacrifice of essential discussion. In what I have to say tonight I hope to put forward a proposal which, far from sacrificing any of the time devoted to this important subject of health and welfare, may actually provide more time and more opportunity for getting to the roots of some of these questions and at the same time help to speed up the procedure of the house.

Here we are dealing with an important department, a department charged with the administration of two subjects of vast importance to the people of Canada, namely, health and welfare. Either one of those is of vital importance. The combination of the two of them in the one department marks it as one of the most important departments of government. It is, as the committee knows, the second largest spender among the government departments. Only the Department of Finance, through the payment of interest on government obligations. actually disburses more money and calls for larger amounts in its estimates than does this department. It seems to me that the test which must be applied by the committee in approaching the estimates of this department is this: Is enough money provided to do what is required to be done and is the country receiving a fair dollar's worth in value for each dollar expended?

There is an obligation on this committee in connection with these estimates which at

the present time I say we are not equipped adequately to discharge. In the annual report of the auditor general attached to the public accounts for the year ended March 31, 1946, you will find this sentence at page 17:

Parliament's control over public money is, to a degree, dependent on the efficiency employed in calculating estimates.

We are reminded from time to time that the ultimate responsibility for the expenditure of money rests on parliament. At the present time the procedure provided for carrying out that task is not one that permits parliament to discharge that duty efficiently or adequately. We are provided with estimates which give us, by way of information, simply the amount provided by parliament the previous year by way of estimated expenditure. We are not given the actual expenditure. There is not one member of this house who, if he were conducting the affairs of a business, would undertake to prepare his budget of expenditure for the succeeding year without having before him the actual expenditure of the preceding year; or if he is preparing his budget of expenditure before the end of the year, he would at least have the actual expenditure up to the date of making his estimates and the estimated expenditure for the remainder of the year. Parliament is not given to that.

Mr. MARTIN: All the hon. gentleman has to do is ask the question.

Mr. FLEMING: I am coming to that. I have been talking up to the moment about the form of the estimates themselves, which is not adequate to permit parliament to do its duty in respect of a review of the estimates under the present procedure. If we are not to be given in the book of estimates more information about actual expenditure, then a different procedure must be provided for the review of estimates.

We derive little or no help from the actual report of the department. Here we are in June, 1947, asked to vote sums of money for this department in excess of $308,000,000; actually, including the items for demobilization and reconversion, we are being asked to provide about $320,000,000, which is a tidy sum. Yet the last report we have—and this is no greater criticism of this department than of any other department of government—on the operations of this department is for the fiscal year ended March 31, 1946, a year which ended sixteen and a half months ago. No business could be operated by way of budgeting, on the colossal scale on which parliament is being asked to budget, with stale information like that.

What is the method by which parliament can seek to do its duty in respect of estimates, in the face of the handicaps I have mentioned? It is obvious that we must devise a different procedure. What I am saying in regard to the estimates of this department will apply equally, I think, to the estimates of almost every other department, with one exception, External Affairs. What I say is needed, both for the purpose of reviewing the estimates of this important department and for the review of other matters in relation to health and welfare in Canada, is a standing committee of this house. This is not the first time I have put this proposal forward. I have had a motion to this effect on the order paper, but like many other private members' resolutions it will probably be reached about 1960.

Mr. MACKENZIE: You won't be here.

Mr. FLEMING: I do not doubt that a good many hon. members opposite won't be here then, but I think those in this quarter of the house will have overflowed to the other side, and will be occupying the government benches for a long period. As I say, what is badly needed in our structure at the present time is a standing committee which will have jurisdiction to review matters pertaining to health, welfare, social security and housing. Definitely, housing ought to be included within the scope of that committee. We badly need a committee that can review housing and inquire into conditions and remedies; and that is the kind of committee which should be set up for this purpose. At the present time, we have what is called the voluntary health committee of both houses. It does good work within a limited sphere; I am not decrying the useful work done by that committee, but it is not an official body. It is not a standing committee of the house, and it cannot undertake the tasks which I submit such a committee ought to undertake.

It is no answer to say that we have many other committees of this house. I am tired of hearing that answer given by those on the government benches. We have a number of committees, but that is no answer to the fact that there is great need for a committee of this kind. I think we might very well abolish some of these other committees and make way for one that will be alive and will do needed work in these fields. Some of the committees we have at the present time just do not meet. Some of them have not met since this parliament opened. Is it not about time that the organization of this house was recast and some attempt made to modernize the procedure of this house and our committee

structure? What would happen if there were such a committee, in a position to review the estimates of this important department? We would have an opportunity to get to the meat of some of these questions that it is almost impossible to deal with in a committee as large as the committee of the whole house. To go into detail on some of these questions which should be gone into by a parliament that undertakes to say it is doing its duty in respect to health and welfare would provoke from all sides complaints about taking up too much time. I will readily agree that to study a great many of these questions in the detail in which they should be studied. if done in this parliament, would involve a wastage of man-power. So in that respect a standing committee of the house would save a great deal of time; and I believe we should devise means to economize the time of the house and direct the energies of hon. members to better advantage than can be done in committee of the whole.

Moreover, there is a great deal of information we have no opportunity to dig into in this house. It would be beneficial if, through such a committee, we could devise a procedure which would enable us to bring officials of the department before the committee. I am not at all deprecating the efforts of the minister, this minister or any other; but it would enable us to obtain the thoughts and ideas of the senior officials, who in the case of this department are very important officials indeed. We could be given their advice and recommendations in regard to policy, instead of having all our questions answered at second hand by a minister. What happens? Somebody asks a question that involves detailed information. It is necessary for the officials sitting on the floor of the house to try to brief the minister in whispered conversations in a matter of seconds, so that he can answer these questions.

Mr. MARTIN: You have not tested me yet.

Mr. FLEMING: It is only because of my fondness for the minister that I have refrained from testing him. I am very fond of the minister, and I have to be careful of him.

Mr. MARTIN: The respect and love is mutual.

Mr. FLEMING: Thank you; I am very glad to have that assurance.

There is another aspect to this matter. Parliament does not provide an opportunity at the present time for doing justice to some valuable proposals that are made from time to time both in the house and outside the house with reference to measures of health and welfare and social security. What happens? On many occasions organized labour has brought forward most valuable suggestions, but what becomes of them? They are made to a minister and go into the files of his department. When does parliament hear about them? Parliament does not hear about them until at long last the government decides to move an inch in some direction. There is no opportunity of breaking down the distressing inertia of this government unless we have a chance, through a committee organization, to sift these proposals through and obtain views upon them on the part of senior, competent officials of the departments. At the present time, we are not doing justice to proposals of that kind. And there is support for this idea on the government benches. Let a free expression be given on the other side of the house in this connection, and I venture to say that under those circumstances we would be setting up such a committee in very short order; the need for it has been so abundantly proven.

Now, Mr. Chairman, we have had many useful suggestions in the course of this debate, and I have not the slightest intention of reviewing the ground which has already been so well covered. Mention has been made of the shortage of hospitals. That shortage is serious. There are other shortages that could be coupled with it, and one is the shortage of nurses. The Minister of Veterans Affairs, in a press release which appears as a Canadian Press dispatch under date of April 29, had this to say about the large number of nurses who had been serving as such in the armed forces during the war:

> A survey of former nursing sisters in the armed forces shows that about 44·5 per cent still are employed as nurses, Veterans Minister Mackenzie announced today.
>
> The survey was based on replies from 1,571 of the 4,400 who served in the armed forces during the second great war, and showed that 27·9 per cent are busy with home duties, 17·9 per cent taking DVA rehabilitation training, 3 per cent unemployed, 2·4 per cent in poor health, 2·2 per cent awaiting suitable employment and 2·1 per cent employed in an occupation other than nursing.

We are faced with a serious shortage of nurses in this country. This is also borne out by the return which was referred to on an earlier occasion recently brought down by the minister, in which it was indicated that the latest estimate of the present shortage of nurses in this country is 8,700. We wish to hear some concrete proposals for encouraging more young women to train as nurses. We wish to hear some concrete proposals for

inducing more of these trained nurses to remain in their profession. A great disservice was done in that respect last year when the government introduced a measure which had the effect of increasing the taxes of married men who are the husbands of nurses who otherwise would be prepared to continue in the nursing profession. Many married nurses were affected by this increase in the tax which arises from the reduction of exemption in the salaries of married men.

This, unfortunately, is the sort of problem in which parliament under its present organization, is almost powerless to assist the minister. I think parliament will welcome an opportunity to assist the minister. Hon. members who have spoken in the debate so far have expressed the desire to be of assistance. I believe there are no members in the house—I would be sorry to think there are any—who would wish to see these important social questions such as health, welfare and social security made the subjects of political, partisan debate. Those are subjects on which all parties ought to be united in their effort to bring about better conditions in this country. But at the present time, with the kind of organization we have in the house, members are prevented from making their full contribution to the solution of these problems.

An hon. MEMBER: What are you doing about it?

Mr. FLEMING: I am doing as much as I can, within the present organization of the house. And I should hope that, like many other members in the house, I would be able to make a better contribution if we had a method of proceeding with more detailed information and more detailed study than is possible at the present time.

There is one aspect of this question of maternal mortality and child mortality which, I think, is deserving of mention. We are all greatly concerned about immigration; it is a matter of vast importance. I believe we are prepared to see some substantial sums spent on immigration, for the seeking of immigrants of the right type, healthy immigrants both in mind and in body. Here we are faced with a situation where, annually, we see 15,000 children die under the age of one year in Canada, and we see also a maternal mortality rate which fills us all with concern. We are glad to note the progress that has been made in recent years in the matter of maternal mortality, through the reduction of the rate over a period of time. But I believe we are all agreed that much more should be done than has been done, because that rate is far too high for this country.

Mr. MARTIN: Has my hon. friend the latest table?

Mr. FLEMING: I have the latest table which appears in the report.

Mr. MARTIN: I just wished to make sure; I am trying to be helpful.

Mr. FLEMING: If this country is prepared to spend a substantial sum of money to obtain immigrants, then I think that equally we want to see that more young Canadians at birth are given an opportunity for life and health. Money can just as wisely be spent in that way. I am not minimizing the importance of immigration; far from it. Let us have the right type of immigrants. But here is an instance where we are losing a substantial number of infant Canadians every year, and something must be done now to improve that situation.

My time has almost expired, and I shall conclude with only one further observation. Of course there are limitations on the powers given under our constitution to the federal government in the matter of health. As we all know, the administration of health is in the hands of the provinces, and it should remain there. Health measures must be administered by the provinces. All these social measures must be administered by those governments which are closest to the people, and that means a substantial measure of administration through municipal governments.

But there are several respects in which the dominion Department of National Health and Welfare can do much in the field of health. The first is in the matter of research. The minister has given a great deal of praise to research workers in respect of cancer. He had less to say about arthritis. I would say there are no limitations on the power of the dominion government to support research work. There must be far more done in the matter of research in Canada, and in connection with health measures, than we have begun to do or have even begun to think of doing up to the present time. Cancer is one example, perhaps the most striking, because of its alarming death rate. Each of us has lost a near relative as a result of this terrible scourge. There is, too, the scourge of arthritis: 600,000 people in Canada are suffering from it at the present time. As the minister has said, there are difficulties in the way of persevering with research in the matter of arthritis; but we must overcome those difficulties. It is a scourge which we cannot meet with folded hands.

There is a great deal more to be done by the dominion in the matter of cooperation with the provinces. We cannot afford in this country to wait indefinitely for the outcome of some trial of strength between the dominion and the provinces. We must work within the constitution for the uniting of forces of the dominion and the provinces in a proper and comprehensive health scheme for this country.

I hope it is not going to be the kind of scheme which will attempt to make the doctors civil servants, and simply put them on salaries. We do not want state medicine. But we do want an adequate and comprehensive scheme of health insurance in Canada. It can be brought about by a united effort between the dominion and the provinces. I urge again that this matter is far too important to await the outcome of a trial of strength between dominion and provincial governments.

Now—and this is my concluding word—we shall have more to say when we come to the detailed items of the department concerning expenditures on publicity. We shall wish to know from the minister that the money asked to be voted for what is now called educational and informational publicity—a much more euphonious title than the former one—is being well spent. I come back to the test I applied in the beginning: In this department as in all others—but certainly no less in this department, because of the vital importance of the subjects of health and welfare—we must see to it as a parliament, because the responsibility is shared by us with the government, that the taxpayer receives a fair dollar's value for every dollar spent.

Item stands.

Progress reported.

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

APPENDIX "A"

ADDRESS

OF

HARRY S. TRUMAN

President of the United States of America

TO

MEMBERS OF THE SENATE AND OF THE HOUSE OF COMMONS AND THE GENERAL PUBLIC

IN THE

HOUSE OF COMMONS CHAMBER, OTTAWA

ON

WEDNESDAY, JUNE 11, 1947

The President was welcomed by the Right Honourable W. L. Mackenzie King, Prime Minister of Canada, and thanked by the Honourable James H. King, Speaker of the Senate, and the Honourable Gaspard Fauteux, Speaker of the House of Commons.

11.45 a.m.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. President, members of the Parliament of Canada: We are indeed greatly honoured in having as our country's guest today the President of the United States of America. Your visit, Mr. President, is a welcome expression of friendship and good will, both personal and national. On behalf of the members of Canada's parliament here assembled, and of all whom we represent, I extend to you the warmest of welcomes.

In paying this neighbourly visit to our capital, we are delighted that you are accom-

panied by Mrs. Truman and Miss Truman. We are pleased that you have found it possible to make your stay of sufficient length to enable you to see something of Ottawa and its surroundings, and to give members of parliament and others the privilege of meeting you and Mrs. Truman, and your talented daughter. We know how greatly His Excellency the Governor General and Lady Alexander enjoyed their recent visit to Washington, and how very much they have been looking forward to having Mrs. Truman, Miss Truman and yourself as their guests at Rideau Hall. Nothing could be more symbolic of the happy relations between our two peoples than family visits between the White House in Washington and Government House in Ottawa.

I should like to add, Mr. President, how great a pleasure it is to me personally to be renewing today, in my own country, the deeply valued friendship formed with yourself on my visits to the United States from time to time. I shall always recall your wish, so generously expressed, almost immediately upon your assumption of office, that the relations between our two countries might continue to be as friendly as they had been at all times under President Roosevelt, and that you and I might come to share a personal friendship correspondingly close. You know how warmly both these wishes were and are reciprocated.

We are especially indebted to you, Mr. President, for your courtesy in consenting to speak to the members of our parliament in the course of your visit. To most men in high position, an escape from the ordeal of public addresses is a not unwelcome form of relaxation. To this doctrine, I am sure you will readily subscribe. Your willingness not only to speak but to allow your address to be broadcast will be warmly appreciated in all parts of Canada, as also in the United Kingdom, the United States, and elsewhere.

Your visit, Mr. President, vividly recalls the visit to Ottawa, in August 1943, of your illustrious predecessor. It was the first visit to Canada's capital of a President of the United States. That visit was at a time of war. At that time, the allied nations were still two years away from ultimate victory. Today, we are almost equidistant from the final battles which brought an end to hostilities in Europe and in Asia.

It was on the eve of the final battles that President Roosevelt was taken from his people. We do not forget it was without a moment's warning, and at that hour of world crisis, that the mighty burdens which he had borne so long and with such great fortitude were transferred from his shoulders to yours. Before final victory was won, you were called upon to take grave and historic decisions. Since the end of the war you have been faced with the baffling tasks of reconstruction, when the grim effects of world conflict are still more apparent than the foundations of peace. We are glad to have the opportunity, which your presence here today affords, to tell you, Mr. Truman, how greatly the Canadian people have admired the manner in which, under all these circumstances, you assumed and are now bearing the tremendous responsibilities of the office of President of the United States.

May I say how greatly we all admire the qualities of humour, sincerity and courage and the capacity for friendship which you possess in such large measure, and which, if I may say so, have been particularly evident since the last congressional elections. Far be it from me to introduce any note of party politics into words of official welcome, much less to say anything that, even to appearances, might be considered interference in the domestic affairs of another country. At the same time, I think that all of us in public life would agree that to be faced with a legislature of which the majority may be disinclined to accept the government's policies is not the most comfortable position in which to find oneself as head of an administration.

Because of a considerable experience in such matters, I may perhaps be allowed, in an aside to the President, to express a personal word of sympathy and understanding. Many who are assembled in this chamber can tell you, Mr. President, that, as leader of a political party and as head of the government, there have been occasions when I too have had to face situations not wholly dissimilar. It may serve as a note of encouragement to you when I say I have yet to find that such embarrassments are necessarily a bar to many years of office.

May I conclude this word of welcome on a more serious note. You, Mr. President, have said: "If wars in the future are to be prevented, the peace-loving nations must be united in their determination to keep the peace under law. The breaking of the peace anywhere is the concern of peace-loving nations everywhere". This statement of American policy might equally be a statement of Canadian policy. In the solution of all world problems, effective co-operation between nations is a first essential. In effective co-operation, no finer example could be given to the world than that which has been developed

between the United States and Canada over the years, and which was especially evident during the years of war.

The Ogdensburg agreement and the Hyde Park declaration are the two great landmarks of our wartime co-operation. During the war these agreements were the basis of joint action in defence, in production, and in finance. Over and over again we have heard it said that co-operation, which was so effective as one of the instruments of victory in war, should be continued as one of the means of achieving and maintaining security and prosperity in a time of peace. By continuing co-operation along similar lines, Canada and the United States will not only be furthering their mutual interests, they will be strengthening the foundation of a new world order, an order based on international understanding, on mutual aid, on friendship and good will.

Mr. HARRY S. TRUMAN (President of the United States): Mr. Prime Minister, honourable members of the Senate, and members of the House of Commons of Canada: This is my first visit to Canada as President of the United States, and I am happy that it affords me the opportunity to address this meeting of the members of both houses of the Canadian Parliament. Here is a body which exemplifies the self-government and freedom of the nations of the great British Commonwealth. The history of the Commonwealth proves that it is possible for many nations to work and live in harmony for the common good.

I wish to acknowledge the many courtesies extended to me on this visit by the Governor General, Viscount Alexander, who paid me the honour of a visit in Washington a few months ago. His career as a soldier and as a statesman eminently qualifies him to follow his illustrious predecessors.

For the courtesy of appearing before you, as for other courtesies, I am sure I am largely indebted to my good friend Prime Minister Mackenzie King. I was particularly happy to be present yesterday when he was honoured in the rotunda of this Parliament Building. It was a wonderful ceremony, and a tribute which I think he richly deserved. I also appreciate the political advice he gave me this morning. I have come to value and cherish his friendship and statesmanship. As our two nations have worked together in solving the difficult problems of the post-war period, I have developed greater and greater respect for his wisdom.

Americans who come to know Canada informally, such as our tourists, as well as those whose approach is more academic, learn that Canada is a broad land—broad in mind and in spirit as well as in physical expanse. They find that the composition of your population and the evolution of your political institutions hold a lesson for the other nations of the earth. Canada has achieved internal unity and material strength, and has grown in stature in the world community, by solving problems that might have hopelessly divided and weakened a less gifted people.

Canada's eminent position today is a tribute to the patience, tolerance, and strength of character of her people, of both French and British strains. For Canada is enriched by the heritage of France as well as of Britain, and Quebec has imparted the vitality and spirit of France itself to Canada. Canada's notable achievement of national unity and progress through accommodation, moderation, and forbearance can be studied with profit by her sister nations.

Much the same qualities have been employed, with like success, in your relations with the United States. Perhaps I should say "your foreign relations with the United States." But the word "foreign" seems strangely out of place. Canada and the United States have reached the point where we no longer think of each other as "foreign" countries. We think of each other as friends, as epaceful and co-operative neighbours on a spacious and fruitful continent.

We must go back a long way, nearly a century and a half, to find a time when we were not on good terms. In the war of 1812 there was fighting across our frontier. But permanent good came of that brief campaign. It shocked Canadians and Americans into a realization that continued antagonism would be costly and perilous. The first result of that realization was the Rush-Bagot agreement in 1817, which embodied a spirit and an attitude that have permeated our relations to this day. This agreement originally was intended to limit and to regulate the naval vessels of both countries on the great lakes. It has become one of the world's most effective disarmament agreements and is the basis for our much-hailed unfortified frontier.

I speak of that period of history to make the point that the friendship that has characterized Canadian-American relations for many years did not develop spontaneously. The example of accord provided by our two countries did not come about merely through the happy circumstance of geography. It is compounded of one part proximity and nine parts good will and common sense.

We have had a number of problems, but they have all been settled by adjustment, by compromise, and by negotiations inspired by a spirit of mutual respect and a desire for

justice on both sides. This is the peaceful way, the sensible way, and the fair way to settle problems, whether between two nations that are close neighbours or among many nations widely separated.

This way is open to all. We in Canada and the United States are justifiably proud of our joint record, but we claim no monopoly on the formula.

Canada and the United States will gladly share the formula, which rejects distrust and suspicion in favour of common sense, mutual respect, and equal justice, with their fellow members of the United Nations. One of the most effective contributions which our two contries can make to the cause of the United nations is the patient and diligent effort to apply on a global scale the principles and practices which we have tested with success on this continent.

Relations between Canada and the United States have emphasized the spirit of co-operation rather than the letter of protocol. The Rush-Bagot agreement was stated in less than 150 words. From time to time it has been revised by mutual agreement to meet changing conditions. It was amended as recently as last December.

The last war brought our countries into even closer collaboration. The Ogdensburg agreement of 1940 provided for the creation of the Permanent Joint Board on Defence. It was followed by the Hyde Park agreement of 1941, which enabled us to co-ordinate our economic resources with increased efficiency. Common interests, particularly after Pearl Harbor, required the creation of several joint agencies to co-ordinate our effortsn i special fields. When victory ended the necessity for these agencies, they were quietly disbanded with a minimum disturbance of the national economies of the two countries—just common sense again.

The permanent Joint Board on Defence will continue to function. I wish to emphasize, in addition to the word "permanent", the other two parts of the title. The board is joint, being composed of representatives of each country. Canada and the United States participate on the basis of equality, and the sovereignty of each is carefully respected. This was true during the gravest days of the war and it will continue to be true, in keeping with the nature of all our joint undertakings.

The board was created, and will continue to exist, for the sole purpose of assuring the most effective defence of North America. The board, as you know, has no executive powers and can only make recommendations for action. The record of the board provides another example of the truly co-operative spirit that prevails between our two countries.

The spirit of common purpose and the impressive strength which we marshalled for action on all fronts are the surest safeguard of continental security in the future.

The people of the United States fully appreciate the magnificent contribution in men and resources that Canada made to the allied war effort. United States soldiers, sailors, and airmen in the heat of battle knew their Canadian comrades as valiant and daring warriors. We look back with pride on our association as staunch allies in two wars.

Today our two nations are called upon to make great contributions to world rehabilitation. This task requires broad vision and constant effort.

I am confident that we can overcome the difficulties involved, as we overcame the greater difficulties of the war. The national genius of our peoples finds its most satisfying expression in the creation of new values in peace.

The record proves that in peaceful commerce the combined efforts of our countries can produce outstanding results. Our trade with each other is far greater than that of any other two nations on earth.

Last year the flow of trade in both directions across the border reached the record peacetime total of two and a quarter billion dollars. We imported from Canada more than twice the value of goods we received from the United Kingdom, France, China and Russia combined. United States purchases from Canada were about six times our purchases from Great Britain, nearly ten times those from China, and eleven times those from France. We sold to Canada nearly as much as we sold to Britain and France together.

Gratifying as the volume of our trade now is, it is capable of even further expansion to our mutual benefit. Some of our greatest assets are still to be developed to the maximum. I am thinking of one particularly that holds tremendous possibilities, the magnificent St. Lawrence-Great Lakes system, which we share and which we must develop together.

The St. Lawrence project stirs the imagination of men long accustomed to majestic distances and epic undertakings. The proposal for taking electric power from the river and bringing ocean shipping 2,400 miles inland, to tap the fertile heart of our continent, is economically sound and strategically important.

When this programme is carried out, the waterway that is part of our boundary will more than ever unite our two countries. It will stimulate our economies to new growth and will speed the flow of trade.

There have been times when shortsighted tariff policies on both sides threatened to raise almost insurmountable barriers. But the need to exchange goods was so imperative that trade flourished despite artificial obstacles. The reciprocal trade agreements of 1936 and 1939 made possible a sensible reduction of tariff rates, and paved the way to our present phenomenal trade.

Something more than commercial agreements, however, is required to explain why Canada and the United States exchange more than two billion dollars worth of goods a year. Ambassador Atherton has aptly given the reason as not "free trade", but "the trade of free men". That record flow of goods and the high standard of living it indicates, on both sides of the border, provide a practical demonstration of the benefits of the democratic way of life and a free economy.

The benefits of our democratic governments and free economies operating side by side have spread beyond our countries to the advantage of the whole world. Both nations expanded their productivity enormously during the war and both escaped the physical damage that afflicted other countries. As a result, Canada and the United States emerged from the war as the only major sources of the industrial products and the food upon which much of the world depends for survival.

Canada has responded as nobly to the challenge of peace as she did to that of the war. Your wheat has fed millions who otherwise would have starved. Your loan has strengthened Britain in her valiant battle for recovery.

The United States is particularly gratified to find Canada at our side in the effort to develop the international Trade Organization. We attach great importance to this undertaking, because we believe it will provide the key to the welfare and prosperity of the world in the years immediately ahead.

In sponsoring the International Trade Organization, the United States, with the co-operation of Canada and other countries, is making a determined effort to see that the inevitable adjustments in world trade as a result of the war will result in an expanding volume of business for all nations.

Our goal is a vast expansion of agriculture and industry throughout the world, with freer access to raw materials and markets for all nations, and a wider distribution of the products of the earth's fields and factories among all peoples. Our hope is to multiply the fruitfulness of the earth and to diffuse its benefits among all mankind.

[Mr. Truman.]

At this critical point in history, we of the United States are deeply conscious of our responsibilities to the world. We know that in this trying period, between a war that is over and a peace that is not yet secure, the destitute and the oppressed of the earth look chiefly to us for sustenance and support until they can again face life with self-confidence and self-reliance.

We are keenly aware that much depends upon the internal strength, the economic stability and the moral stamina of the United States. We face this challenge with determination and confidence.

Free men everywhere know that the purpose of the United States is to restore the world to health and to re-establish conditions in which the common people of the earth can work out their salvation by their own efforts.

We seek a peaceful world, a prosperous world, a free world, a world of good neighbours, living on terms of equality and mutual respect, as Canada and the United States have lived for generations.

We intend to expend our energies and to invest our substance in promoting world recovery by assisting those who are able and willing to make their maximum contribution to the same cause.

We intend to support those who are determined to govern themselves in their own way, and who honour the right of others to do likewise.

We intend to aid those who seek to live at peace with their neighbours, without coercing or being coerced, without intimidating or being intimidated.

We intend to uphold those who respect the dignity of the individual, who guarantee to him equal treatment under law, and who allow him the widest possible liberty to work out his own destiny and achieve success to the limit of his capacity.

We intend to co-operate actively and loyally with all who honestly seek, as we do, to build a better world in which mankind can live in peace and prosperity.

We count Canada in the forefront of those who share these objectives and ideals.

With such friends we face the future unafraid.

Mr. MACKENZIE KING: I call upon the Speaker of the Senate and the Speaker of the House of Commons to express the thanks of Parliament to the President for the address which he has just delivered to us.

Hon. J. H. KING (Speaker of the Senate): Mr. President, it is my privilege, more particularly on behalf of the members of the Senate,

to express the thanks of all here assembled for the inspiring and historic address which you have just delivered.

Mr. President, your speech of today illustrates what has often been said and is frequently in our minds, namely, that the people of the United States and the people of Canada enjoy, to an exceptional degree, personal friendships and social amenities in cultural and political relations.

This happy situation, as you have made clear this morning, is the result of freedom of personal contact, similarities in customs and in liberty, enjoyed by the peoples of our two countries under democratic forms of government. The comradeship-in-arms in the world's two greatest wars, wars that have taken place in the lifetime of one generation, has, as you have said, Mr. President, drawn us still more closely together.

In conclusion, let me again extend to you, Mr. President, the assurance of our pleasure in and gratitude for your visit to Canada, and for your memorable address of this morning. We pray that the Almighty will continue to give you guidance and wisdom in your great task.

Hon. GASPARD FAUTEUX (Speaker of the House of Commons): Mr. President, it is my privilege to join with the Speaker of the Senate in also thanking you in the name of the members of both houses for the address to which we have just been listening. You may be assured that the unseen audience which, we know, extends over the entire continent, will have listened with the same deep interest as your immediate audience here, and that your message will have been received by them with the same enthusiasm and approval as by those who have had the added pleasure of seeing as well as hearing you in this Commons chamber.

As you are aware, Mr. President, both English and French are official languages in Canada's Parliament. May I be permitted now, Mr. President, since the language of Shakespeare and the language of Molière are both official in Canada, to express myself in the latter, the one brought to Canada from France by your ancestors and which is still our most précious heritage.

(Translation):

On behalf of my French-speaking compatriots, I wish to assure you of our deep admiration and to express our thanks to you for having consented to come to our capital city, and for having made, in our parliament, the splendid speech we have just heard.

In the name of the Commons, who have elected me as the first commoner of the country, may I pray Almighty God to bless and inspire the President and the leaders of the mighty United States of America, and enable them to find, and apply, if I may say so, a spiritual atomic formula which, by the grace of God will ensure to the world a holy peace, with liberty, equality and fraternity.

(Text):

I should like, Mr. President, to express in the English language what I have just said in my native tongue.

On behalf of my French-speaking compatriots, I wish to assure you of our deep admiration and to express our thanks to you for having consented to come to our capital city, and for having made in our Parliament the splendid speech we have just heard.

In the name of the Commons, who have elected me as the First Commoner of the country, may I pray Almighty God to bless and inspire the President and the leaders of the mighty United States of America, and enable them to find, and apply, if I may say so, a spiritual atomic formula which by the grace of God will ensure to the world a holy peace, with liberty, equality and fraternity.

Again, Mr. President, we thank you for the memorable and inspiring address which you have delivered to us today, and which, as of historic significance, will be preserved in the official records of both houses of the Canadian Parliament.

Mr. MACKENZIE KING: This brings to a conclusion the proceedings of this morning. May I propose three hearty cheers for the President of the United States.

(After three cheers for the President, the gathering dispersed.)

APPENDIX "B"

UNVEILING OF PORTRAITS

OF

CANADA'S PRIME MINISTERS IN TWO WORLD WARS

THE LATE RIGHT HON. SIR ROBERT LAIRD BORDEN

AND

THE RIGHT HON. W. L. MACKENZIE KING

JUNE 10, 1947

In the presence of:

His Excellency the Governor General of Canada, Field Marshal the Right Honourable the Viscount Alexander of Tunis;

The President of the United States of America, Harry S. Truman.

Senator the Honourable J. H. King, Speaker of the Senate, and the Honourable Gaspard Fauteux, Speaker of the House of Commons, presided.

Also present were:

The Right Honourable W. L. Mackenzie King, Prime Minister of Canada; Right Honourable Ian A. Mackenzie, Leader of the House of Commons; Senator the Honourable Wishart McL. Robertson, Leader of the Government in the Senate; His Excellency the Honourable Ray Atherton, Ambassador of the United States of America; Fleet Admiral W. D. Leahy, Chief of Staff to the Commander in Chief of the United States Army and Navy; Senator the Honourable John T. Haig, Leader of the Opposition in the Senate; John Bracken, Leader of the Opposition in the House of Commons; Senator the Honourable C. C. Ballantyne; M. J. Coldwell, Leader of the Cooperative Commonwealth Federation party; Solon E. Low, Leader of the Social Credit party; Frank O. Salisbury; Kenneth Forbes; and other members of the Senate and of the House of Commons.

At 5.30 p.m. His Excellency the Governor General of Canada and the President of the United States of America arrived in the Chambers of the Speaker of the House of Commons and proceeded to the main lobby.

God Save the King
The Star-Spangled Banner

Hon. GASPARD FAUTEUX (Speaker of the House of Commons): Mr. President, Your Excellency, guests of honour, and honourable members of the Senate and of the House of Commons: We are gathered here this afternoon to witness the unveiling of the portraits of two of Canada's most distinguished sons. In the hours of stress, when the world was in the throes of terrible wars, we were fortunate in having as prime ministers two men endowed with strong patriotism, vision and strength of character. They were, during the war of 1914-1918, the Right Honourable Sir Robert Laird Borden, and, during the recent war of 1939-1945, the Right Honourable W. L. Mackenzie King.

Before I proceed further may I say, in the name of all present, how much indebted we are and how grateful we all feel to His Excellency the Governor General, Field Marshal Lord Alexander, for honouring this occasion by his presence, and for having graciously consented to unveil the two portraits.

We are also deeply grateful to His Excellency for bringing with him his distinguished guest, the President of the United States of America, who arrived in Ottawa this afternoon on a brief visit to Canada. We are indeed delighted that Mr. Truman should, on such short notice, have been prepared to join His Excellency.

Mr. President, Your Excellency, you may both be assured that your presence within our

halls of parliament on this occasion is an honour which will long be remembered by the members of both houses and indeed by all Canadians.

For a long time it has been felt that Sir Robert Borden's portrait should adorn the walls of these houses of parliament. When I had the honour to become Speaker of the House of Commons, I soon discovered that the consensus of opinion of members of both houses was that the practice of placing our Prime Ministers' portraits in the parliament buildings should be resumed. Instructions were accordingly given for the painting of a portrait of the late Sir Robert Borden. Mr. Kenneth Forbes, the well-known artist of Toronto, was commissioned for the purpose. How splendidly Mr. Forbes executed his commission you will see when the portrait of Sir Robert Borden is unveiled.

While arranging for this commission I learned of the portrait of the present Prime Minister which was painted by Mr. Frank O. Salisbury, and which had been exhibited in the Royal Academy in London. The portrait was temporarily on exhibition at our own National Gallery. Members who saw it were high in their praise of the great artist who was responsible for this splendid work of art. A general desire was expressed that the portrait should be placed in our parliament buildings.

On the 8th of December last, I took it upon myself to write the Prime Minister in the matter. Several letters were exchanged between Mr. King and myself before I was able to convince him that my request should be granted. Perhaps I may be permitted to use a privilege given to members of both houses, with unanimous consent, and given sometimes by the Speakers, to table for the press the correspondence exchanged.

May I say, in a word, that being assured that it was the wish of the Speakers, and of the leaders of all parties in both houses, that the portrait by Mr. Salisbury should be hung on the walls of these buildings at the same time as the portrait of Sir Robert Borden, Mr. King not only gave his consent to the transfer of the portrait for that purpose, but said he would be pleased to have the portrait accepted as a gift from himself to parliament.

I quite understand Mr. King's hesitation in allowing us to have his portrait for these walls while he is still a member of parliament, but I may assure him that after twenty years in the office of Prime Minister he should experience no embarrassment on that account.

Your final agreement to this step, Mr. Prime Minister, has warmed our hearts and increased your popularity in parliamentary circles. I wish to extend to you, sir, the sincere thanks of all the members of the Senate and of the House of Commons for the very generous manner in which you have acceded to our request.

The Speaker of the Senate, the Honourable J. H. King, then invited His Excellency the Governor General to unveil the portrait of Sir Robert Laird Borden. The Speaker said:

Mr. President, Your Excellency, members of the Senate and of the House of Commons: On behalf of the members of the Senate and of the House of Commons of Canada, I have the honour to invite Your Excellency to unveil the portrait of the Right Honourable Sir Robert Laird Borden, who from 1911 to 1920, a period which included the years of the first great war, 1914-18, was Prime Minister of Canada.

(*His Excellency unveiled the portrait of Sir Robert Borden.*)

Hon. J. H. KING (Speaker of the Senate): Mr. President, Your Excellency: I have pleasure in presenting to you the artist, Mr. Kenneth Forbes, of Toronto, to whose talent we are indebted for the splendid portrait of Sir Robert Laird Borden.

(*Mr. Forbes came forward and acknowledged applause by a bow to the assembled company.*)

Hon. Senator KING: Mr. Henry Borden has telegraphed his regret at his inability to be present at this ceremony. We are very sorry that circumstances have prevented him from witnessing the unveiling of this portrait of his illustrious uncle.

The Speaker of the House of Commons, the Honourable Gaspard Fauteux, then invited His Excellency to unveil the portrait of the present Prime Minister. The Speaker said:

Mr. President, Your Excellency, members of the Senate and of the House of Commons: On behalf of the members of the Senate and of the House of Commons of Canada, I have the honour to invite Your Excellency to unveil the portrait of the Right Honourable William Lyon Mackenzie King, who today completes twenty years in the office of Prime Minister of Canada, including the years of the second great war, 1939-45.

(*His Excellency unveiled the portrait of the Prime Minister.*)

Hon. Mr. FAUTEUX: Mr. President, Your Excellency: I have pleasure in presenting to you Mr. Frank O. Salisbury, of London Eng-

land, the artist to whose talent we are indebted for the splendid portrait of our Prime Minister.

(*Mr. Salisbury came forward and acknowledged applause by a bow to the assembled company.*)

HIS EXCELLENCY, FIELD MARSHAL THE RIGHT HON. THE VISCOUNT ALEXANDER OF TUNIS (Governor General of Canada): Mr. President, Mr. Prime Minister: I feel that it is an honour, besides being a pleasure, to be here on this historic occasion and to have the privilege of unveiling these two fine portraits of two fine men.

It is particularly fitting that today has been chosen for this ceremony, since it marks our own Prime Minister's twentieth year of loyal and devoted service to king and country.

Further lustre to the occasion is added by the presence here today of the President of that great country which not only is our friend and neighbour, but was our ally in two world wars.

Of the two men we honour today, the one led us to victory in the first world war, and the other in the second. Now these noble pictures of two great Canadians, from the brush of distinguished portrait painters of world-wide reputation, find a happy and fitting home in the very heart and centre of the Canada they have both served so loyally and have loved so well.

Hon. Senator KING: Mr. President, Your Excellency, and honourable members: We have with us this afternoon one of Sir Robert Borden's oldest and closest friends, the Honourable Senator Charles C. Ballantyne. Senator Ballantyne was a member of Sir Robert Borden's cabinet from 1917 to 1920, and he is one of the senior members of the Privy Council of Canada. He was summoned to the Senate while a Conservative administration was in office, and until recently was Leader of the Opposition in the Upper House. I should like to call upon Senator Ballantyne for a few words.

Hon. Senator C. C. BALLANTYNE: Mr. President, Your Excellency, Mr. Prime Minister, honourable members of the Senate, and members of the House of Commons: I consider it a high honour and privilege to be invited to make a brief reference to my former Prime Minister, the Right Honourable Sir Robert Laird Borden, P.C., G.C.M.G., K.C., LL.D.

In the long line of illustrious prime ministers Canada has been fortunate to have had presiding over her destiny, no one stands out more prominently for distinguished devotion and service to Canada, the commonwealth of nations and the empire, than does my former Prime Minister.

The Right Honourable Sir Robert Borden was Prime Minister from 1911 to 1920, including the period of the first great war.

I was privileged to serve under Sir Robert as one of his ministers during the first great war years of 1917-18 and until his retirement, in 1920. I shall always cherish the memory of having been associated with my former Prime Minister during those years.

The Right Honourable Sir Robert Borden was held in high esteem not only by his colleagues in parliament but by Canadians generally, and was as well a recognized world figure.

After Sir Robert's retirement from the premiership our close personal friendship continued throughout the years, and it will always remain with me as a revered and pleasant memory.

May I be permitted on this historic occasion to refer to my old friend of long standing, the present Prime Minister, the Right Honourable W. L. Mackenzie King, C.M.G., who has occupied the high office of Prime Minister for a longer period than any of his Canadian predecessors, and who in a few months will have occupied it longer than any one else in the history of the British empire. It is remarkable that my former Prime Minister and the present Prime Minister both guided our country through great world wars and finally to victory.

It is fitting, therefore, that these two illustrious Prime Ministers should have their portraits placed for ever in these parliament buildings, as a constant reminder to present and future generations, and to the thousands of visitors passing through our portals, of the great and loyal service rendered by them to king and country.

Hon. Mr. FAUTEUX: Mr. President, Your Excellency, Mr. Prime Minister, guests of honour, honourable members of the Senate and of the House of Commons: The time has not yet arrived to appraise Mr. Mackenzie King's long political career. We are too close to him to see it in its true perspective, but we all know that history will class him as a great statesman. We all recognize that he is an outstanding parliamentarian. No man understands our House of Commons

better than he does, and none has as much influence in it as he has today. In his many years of leadership he has contributed much to the decorum and dignity of the house.

As has already been said, this ceremony was arranged for today, June 10, to coincide with Mr. King's completion of twenty years in all in the office of Prime Minister. He has been a minister of the crown and the leader of his party for a still longer time, and has been for an even longer time a member of parliament. Mr. King is in years of membership the senior member of the Commons. He is dean of the house. I am sure we are agreed that he has shown in that long period remarkable qualities as a popular leader of men and, in parliament, a capacity to make friends without making enemies.

In his long term of office, Mr. King has had to solve many intricate problems, some of which threatened the unity of Canada. He has faced all such situations with caution and can look back over his long career with the satisfaction of having accomplished, in difficult circumstances, many hard tasks.

Mr. Mackenzie King has administered this country on the same broad principles as Macdonald, Laurier, Borden, and other leaders who were friends of minorities and pioneers in democracy and, above all, true Canadians. As members of the present parliament of Canada we are happy to be able to join together to commemorate Mr. King's long years of public service. We are pleased to be able to do this, irrespective of party affiliation, while Mr. King is still a member of parliament, and on the day of his completion of twenty years in the office of Prime Minister. We have felt that in no more appropriate way could we honour our present Prime Minister today than by giving his portrait a place in these halls of parliament, among those of other prime ministers whose lives are a part of the history of our country.

I am sure, Mr. Prime Minister, that all your friends who are gathered here on this memorable occasion, are very anxious to hear a few words from you.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. President, Your Excellency, and fellow members of parliament: You, Mr. Speaker, have given me a difficult task indeed. Of the kindnesses of all present, there are many acknowledgments I should like to make. I wish I felt equal to the least of them. I doubt if in the twenty years to which reference has been made this afternoon there has been a moment when I have been as conscious of the extent of my obligation to others, and less able to give expression to the gratitude I feel.

I know I speak not less for others than for myself when I say how grateful we are to His Excellency the Governor General for having consented to honour this occasion with his presence, and to unveil the two portraits which he has unveiled this afternoon. It is a happy circumstance that we should have in our Governor General, especially today, one who is at once a Field Marshal and an artist. His Excellency has referred to the association of the portraits with one or other of the great wars. May I say to His Excellency that we have much in mind that he himself is a veteran of the two wars. We are indeed indebted to one who has had so valiant and decisive a role in war for lending to today's proceedings the association of his illustrious name.

We are also especially honoured by the presence at today's ceremony of the President of the United States. That you, Mr. Truman, almost at the moment of your arrival in our capital, should have expressed a wish to accompany His Excellency on this occasion, is an evidence of personal and international good will for which I cannot thank you too warmly. Your presence has added a note of exceptional significance. Those here assembled will never forget that they were privileged to see the President of the United States and the representative of His Majesty the King side by side in the central hall of our houses of parliament.

It is a source of pleasure to me to recall today that in 1919, at the time I became leader of my party and Leader of the Opposition in the House of Commons, it was Sir Robert Borden who was Prime Minister. No one, I imagine, is in a better position than I am today to appreciate the strain and anxieties which Sir Robert experienced throughout the years of war. No one knows better than Senator Ballantyne how cordial at all times were the personal relations between Sir Robert and myself. I am glad it has been given to so intimate and devoted a friend of Sir Robert, one who was a member of his cabinet, and who is the senior privy councillor on the opposition benches in parliament, to speak today of the portrait of his late leader. The senator, I hope, will allow me to express to him my very warm thanks for his all too kind personal references to myself. They come, I know, from the heart of an old and true friend.

I am sure all of us who knew Sir Robert Borden will agree that the portrait by Mr. Kenneth Forbes, which we now see before us, is a worthy and striking likeness, and that it reflects great credit upon the artist. I should like, in the name of the government, to thank Mr. Forbes for the portrait he has painted of Sir Robert Borden, and to congratulate him upon it.

Your Excellency, I come to a very difficult part of what I have to say. How am I to express to my fellow members of parliament my appreciation of the honour they have done me in wishing to have the portrait of myself, by my friend Frank Salisbury, given a place on the walls of parliament? How am I to thank them for wishing to have it given an association with the portrait of Sir Robert Borden, in events which are outstanding in history? How am I to thank them for having selected today—the day on which I have completed twenty years of office—as the day for the unveiling of the two portraits? And how am I to thank His Honour the Speaker of the Commons for what he has just said?

In one thing I am fortunate indeed. It is that the artist, Mr. Salisbury, has found it possible to be with us today. Mr. Salisbury will be able to assure you that it was to his persuasion rather than to any expressed desire on my part that the portrait owes its existence. Perhaps nothing could better illustrate Mr. Salisbury's skill as an artist than what he has been able to make of me! I am indeed grateful to him for including me among the number of those to whom his brush has of itself helped to bring distinction.

After the many years I have been in parliament and in office, I cannot tell you what it means to me to find myself surrounded, as I am at this moment, by those with whom I have been most closely associated in the public life of Canada. It is an expression of friendship and good will on the part of political friends and opponents alike, much too moving to be acknowledged in words. I cannot begin to express what this occasion means to me today, or what it will mean to me for the remainder of my days. I can only thank you, one and all, and this I do with all my heart.

All too soon associations of the present melt into memories of the past. I am happy to think that those who have shared today's associations may not find the memory of them lacking in warmth or colour with the passing of the years. I even venture to hope that, to those who seek a noble calling, the memory of this occasion will serve to lend a glow to public life and to reveal the richness of the rewards of public service.

(The proceedings were concluded by the singing of "O Canada".)

Thursday, June 12, 1947

The house met at three o'clock.

REPORTS AND PAPERS

Copy of order in council P.C. 2180, relating to the movement of displaced persons from Europe to Canada.—Mr. Howe.

PRIVILEGE

MR. MAYHEW—STATEMENT AS TO TABLING OF REPORT UNDER MUNICIPAL IMPROVEMENTS ACT

Mr. R. W. MAYHEW (Parliamentary Assistant to the Minister of Finance): Yesterday afternoon during the discussion of Bill No. 256 the hon. member for Eglinton (Mr. Fleming) made the statement that the annual return under the Municipal Improvements Assistance Act had not been tabled. His words are as follows, at page 4020 of *Hansard*.

> The requirements of that section have apparently been honoured more in the breach than in the observance. It is like a great many similar sections that we encounter in statutes passed by this parliament requiring annual reports—they are simply ignored by the government. It is high time the government made a serious attempt to heed and obey the terms of this and other statutes providing for annual reports to parliament on operations under acts.

I replied, at page 4024:

> The hon. member also said that the annual report had not been tabled. The act provides that the report shall be tabled, and I think my recollection goes back to the time this year when I tabled that report. This is a copy of what I tabled at that time—

I referred to the document I was holding in my hand, from which I was reading. The hon. member for Eglinton then said:

> I have done just what the parliamentary assistant proposes, and I think if he will look back in the records of the house he will not find any report tabled.

I want to refer the hon. gentleman to *Votes and Proceedings* No. 34 of March 18 this year. On that day I tabled order in council P.C. 845, and also the ninth annual report of the operations of the Municipal Improvements Assistance Act, 1938, for the year ending December 31, 1946.

MR. MCLURE—NAMING OF PRINCE EDWARD ISLAND CAR FERRY

On the orders of the day:

Mr. W. CHESTER S. McLURE (Queens): Having lingered somewhat too long at the banquet board yesterday noon, I was late for the opening of the house at 3.30 in the afternoon. At page 4015 of *Hansard* I find a suggestion in regard to the naming of the Prince Edward Island car ferry. I am greatly indebted to the hon. member for St. John-Albert (Mr. Hazen) for his very kind remarks concerning myself, and also his suggestion. My point of privilege, however, is that it is not my desire to have the Minister of Transport or his government devote too much time to the consideration of the kindly suggestion of the hon. member for St. John-Albert, until I have given the matter some further consideration myself.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

WAR ASSETS—PURCHASES BY COLONEL J. P. J. GODREAU

Mr. CASE:

1. Have goods been purchased from war assets corporation by Colonel J. P. J. Godreau or any company he may represent or be associated with? If so, what goods?

2. When were they purchased and what price was received at time of purchase?

Mr. McILRAITH: In reference to part 1 of this question may I say that it is impossible for the corporation to get the information to answer it in this form, because there is no means of identifying the companies with which Colonel Godreau may be associated. We have also been unable to find any means of locating Colonel Godreau; we have no clue as to where he resides or what part of the country he may be in. The only way we could identify any transactions with him would be to search all the invoices. I have discussed the form of the question with the hon. member for Grey North (Mr. Case) and would suggest that it be dropped in its present form and reworded in such a way as to give him the information he desires.

Question dropped.

CENTRAL MORTGAGE AND HOUSING CORPORATION—AUDITORS

Mr. FLEMING:

1. Who are the auditors of Central Mortgage and Housing Corporation?

2. When were they appointed, and on what basis as to fees or other remuneration?

3. What amounts have been paid to them to date for their services, and what services or periods do such payments cover?

4. (a) What reports have they submitted as auditors, and on what dates; (b) what subjects or periods did such reports cover?

Mr. McILRAITH:

1. Mr. W. H. Campbell of Campbell, Glendinning and Company, chartered accountants of the city of Montreal and Mr. Jean Valliquette of Anderson and Valliquette, chartered accountants of the city of Montreal.

2. Appointed by order in council P.C. 262, dated January 24, 1946 in accordance with section 32 of Central Mortgage and Housing Corporation Act, for a term of two years from March 1, 1946. The minister approved a salary of $4,000 each plus expenses, for the fiscal year 1946.

3. $9,762.17 fees and expenses, for audit for the fiscal year ending December 31, 1946.

4. (a) and (b).

On February 12, 1947 a report to the Minister of Reconstruction and Supply containing a statement of the corporation's position with the department as at December 31, 1946 which confirms balances collected on behalf of the minister and balances owing the corporation by the minister.

On February 20, 1947, the financial statements consisting of balance sheet, statement of profit and loss with appended certificate, for the year ending December 31, 1946.

*FEDERAL GRANTS TO MUNICIPALITIES

Mr. CHURCH:

1. On what municipal projects was the grant made by parliament from 1938 to date, annually, to the city of Ottawa as a subvention in exchange for services rendered by the city to the government?

2. What sum of money was spent in each year, and the various uses made of this grant for municipal purposes?

3. What action has been taken to extend the principle in the legislation to other municipalities throughout Canada rendering to the government similar services?

Mr. FOURNIER (Hull): I think I should give oral answers to these three questions. The grants to the city of Ottawa are made under a special statute of this parliament, and the statute does not provide any obligation on the part of the city to show how the money is spent. That would be the reply to Nos. 1 and 2. If and when the government takes action or does anything to extend this principle to other municipalities the house will be informed in due course.

Mr. CHURCH: Even if it is statutory are not the people entitled to know how public funds are expended?

Mr. FOURNIER (Hull): Under that statute there is no obligation upon the city of Ottawa to report to the government or to parliament as to the way the money is expended.

Mr. SPEAKER: Answered.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PRAIRIE FARM REHABILITATION—IRRIGATION PROJECTS

Mr. WINKLER:

1. By provinces, what has been the cost of irrigation projects in the prairie provinces to the P.F.R.A.?

2. By provinces, what is the estimated cost per acre foot for new irrigation projects under contemplation?

3. By provinces, what is the estimated total cost of irrigation projects being planned?

4. What is the land area involved?

Mr. GARDINER: I have been asking to have this question stand from day to day. It is quite properly asked, but it will take considerable time to get the information, parts of which will have to be prepared in three different provinces in western Canada. If the hon. member will agree, I suggest that it be made an order for return.

Mr. SPEAKER: Order for return.

TOURIST FACILITIES—WESTERN ONTARIO

Mr. BROWN:

1. What assistance has been rendered by the federal government in the development of roads, parks or tourist facilities in the Niagara peninsula?

2. What steps have been taken by the government with respect to development of the ports of entry, such as Windsor, Ontario, to assist the tourist industry?

SUGAR

INQUIRY AS TO DISCONTINUANCE OF RATIONING TO CONSUMERS

On the orders of the day:

Mr. R. E. DROPE (Northumberland, Ont.): In view of the fact that housewives are finding the ration of sugar inadequate, and since the rationing of sugar to consumers in the United States ended yesterday, will the minister inform the house when the rationing of sugar to household consumers will be discontinued in Canada?

Hon. DOUGLAS ABBOTT (Minister of Finance): I have not had notice of my hon. friends question. I shall take it into account and give a statement in due course.

[Mr. Church.]

NAILS

SHORTAGE IN VANCOUVER—QUESTION OF DISTRIBUTION

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): I should like to direct a question to the Minister of Reconstruction and Supply arising out of letters received from retail hardware merchants in Vancouver. They complain of inability to get nails to supply their normal retail demands. From the letters I get the impression that the situation is one of faulty distribution rather than short supply. Would the minister care to make a statement in the matter?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): Complaints have been received from the hon. member for Fraser Valley (Mr. Cruickshank) and the hon. member for Vancouver North (Mr. Sinclair) as to the lack of nails in the hardware stores on the Pacific coast. In response to those complaints I asked the coordinator of building supplies to make a personal visit to the Pacific coast to endeavour to discover some method of better distribution. I believe my hon. friend is right, that it is a matter of distribution. Certainly the production of nails on the Pacific coast, in proportion to the population served, is higher than in any other part of Canada.

CANADIAN NATIONAL RAILWAYS

PROVISION TO MEET CERTAIN EXPENDITURES AND GUARANTEE OF SECURITIES AND INDEBTEDNESS

Hon. LIONEL CHEVRIER (Minister of Transport) moved the second reading of Bill No. 258, to authorize the provision of moneys to meet certain capital expenditures made and capital indebtedness incurred by the Canadian National Railways system during the calendar year 1947, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railways Company.

Mr. F. W. TOWNLEY-SMITH (North Battleford): Mr. Speaker, this bill provides for the provision of funds for capital expenditures on the Canadian National Railways. For some years, along with some of my colleagues, I have been asking for the completion of certain railways in the northern part of Saskatchewan, specifically those which run from Frenchman Butte to a place called Heinsburg in Alberta, and another which goes from St. Walburg to Beaver River, also in Saskatchewan.

In the first named railway there is a gap of only about forty miles. It breaks the railway, of course, and is a source of great annoyance and inconvenience to those who happen to live along the line; and besides, it prevents those who live on either side of it from getting to the other end of the railway. That is to say, those who live on the east side of the gap can patronize only that eastern section of the railway. If they wish to get to the west end they have to go a considerable distance east until they reach another line of railway, and then get on that other line and go to the west. The same applies to those who live on the west side of the gap.

We have asked that this forty miles be completed. It is not a great thing, but it is an inconvenience which has been suffered by these people over a considerable number of years. I ask the minister if he will make a special point of doing something about this particular forty-mile gap.

With respect to the other piece of railway, the line has been built at some expense to the north out of Alberta to a place called Cold Lake. That particular piece of line is a good revenue producer; my information is that it is bringing in a lot of money. The break extends now to the southeast and joins up again with the Canadian National railway which at the present time ends at a place called St. Walburg.

I cannot say anything that has not already been said. But I do most earnestly call the attention of the minister to the gaps in these two branch lines, and I should like him to say whether anything has been done toward finishing them, or whether something may be done very soon.

Mr. BENTLEY: Mr. Speaker, before second reading—

Mr. TOWNLEY-SMITH: May I have an answer?

Mr. CHEVRIER: This is not the point at which to answer questions. It should be done in committee of the whole.

Mr. SPEAKER: I would call the attention of hon. members to the fact that we are at the stage of second reading, and that if they have questions to ask they might better wait until we have reached the committee stage. I would ask hon. members to confine their remarks to the general principles of the bill.

Mr. PAUL EDMOND GAGNON (Chicoutimi) (Translation): Before the motion for second reading is carried, I wish to say a few words and make some suggestions as to what could be done in Chicoutimi county by the Canadian National Railways.

Mr. SPEAKER: I would ask the hon. member to confine his remarks, during this debate, to the general principle of the bill before the house. In regard to specific questions, I believe that they should be discussed at the proper time in committee of the whole, when the hon. member and all members of the house will be free to deal with special subjects. They will then have the opportunity of asking questions which will be answered by the minister.

Mr. GAGNON: Mr. Speaker, I have no intention of asking questions of the hon. minister, but I propose to make a statement on certain problems of special concern to my county.

Hon. LIONEL CHEVRIER (Minister of Transport): Before the hon. member takes the floor, may I remind him that the bill before the house authorizes certain loans to the Canadian National Railways and does not provide for the hon. member dealing with conditions in his own constituency. He will be given this opportunity when the estimates for the Department of Transport are brought down.

Mr. GAGNON: Are we not allowed to discuss any financial matters of the Canadian National Railways under this bill?

Mr. CHEVRIER: The financial matters dealt with in this bill.

Mr. GAGNON: This bill affects Chicoutimi county as much as any other constituency in Canada.

(Text):

Mr. HOMUTH: Mr. Speaker, we are now on second reading of the bill. Surely it is not permissible to ask questions back and forth at this time.

Mr. SPEAKER: I have suggested that at this stage the discussion be confined to the general principle. The purpose of the bill is to authorize the provision of moneys to meet certain capital expenditures made and capital indebtedness incurred by the Canadian National Railways system during the calendar year 1947. I would ask the hon. members to continue their remarks to the principle of the bill before the house. They may question the minister when we reach the committee stage.

(Translation):

Mr. GAGNON: Mr. Speaker, with all due respect, your objection is premature. I feel that I have the right to discuss the affairs of the Canadian National Railways in my constituency when such a bill is submitted to the house.

Mr. SPEAKER: I must point out to the hon. member that when the Minister of Transport (Mr. Chevrier) comes before the committee to have his estimates approved, including the sums allotted to the Canadian National Railways, the hon. member will have an opportunity to question him and discuss any matters pertaining to the administration of government-owned railways.

(Text):

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

On section 1 —Short title.

Mr. MAYHEW: There has been an error made in the bill; the amount for the Barraute branch line was left out. I am going to ask one of the ministers to move:

That clause 2 be amended by inserting in the table contained therein, after the item:
"New equipment ..... $41,500,000"
the following item:
"Barraute branch line ..... $ 2,684,000"

Mr. CHEVRIER: I move accordingly.

The CHAIRMAN: The parliamentary assistant has given notice that he will move to amend section 2 when we reach it by inserting a new item in the table contained therein.

Mr. MACDONNELL (Muskoka-Ontario): Will that item to be inserted leave the total of $46,723,000 unchanged?

Mr. MAYHEW: That is right, it will be unchanged.

Mr. MACDONNELL (Muskoka-Ontario): I should like to ask one or two questions regarding the detailed amounts and then I have a question to ask with regard to the bill itself. This is a measure to provide certain capital funds; it has nothing to do with the operating deficit of $31,000,000 which is referred to in the memorandum furnished to us in connection with the railway budget. That deficit is paid out of consolidated revenue fund and whatever the railroad earns is turned into the consolidated revenue fund.

Mr. CHEVRIER: Yes.

Mr. MACDONNELL (Muskoka-Ontario): There is an item of $1,057,000 covering acquisition of securities and retirement of capital obligations, which is to be found on page 6 of this memorandum. After certain other items there occur two items about which I should like an explanation. This page is headed, "Acquisition of securities and retirement of capital obligations." The item about which I should like some information reads, "Chicago, Western and Indiana railroad, advances under agreement March 1, 1936, $169,000." On the face of it that does not look like an acquisition of securities or retirement of capital obligations, will the minister explain it?

The CHAIRMAN: In order to keep the proceedings regular may we pass section 1 and then proceed to consider section 2?

Mr. MACDONNELL (Muskoka-Ontario): My question could be asked under section 2.

Mr. HACKETT: I want to be quite clear. My question is to enable my hon. friend who wanted to ask a few questions concerning his own county, to come into the discussion at this point. I want to know if any of the securities which have been retired affect the whole system. If they do affect the whole system then I think it is competent for the hon. member to speak about that section of the system within his own constituency.

Mr. MAYHEW: I wonder if we could deal with one question at a time. I was looking up the answer for the hon. member for Muskoka-Ontario.

Mr. HACKETT: I withdrew for the moment. I shall be here and I can renew my question as soon as the question of the hon. member has been answered.

The CHAIRMAN: I take it that section 1 is carried?

Mr. HACKETT: Before section 1 is carried I should like to ascertain whether the hon. member for Chicoutimi has the right to ask the question which he wishes to ask.

Mr. MACDONNELL (Muskoka-Ontario): I think my question had better stand until we get to section 2.

Mr. CHEVRIER: I do not think the hon. gentleman wants to ask a question from the way in which he proceeded; I think he wants to make a speech. I notice he nods his head.

Mr. HACKETT: I wish to know whether or not these securities which have been retired affect the whole system. I refer to the securities mentioned in the second section.

Mr. CHEVRIER: Is the hon. gentleman referring to those concerning new equipment?

The CHAIRMAN: It would appear to me that the question which the hon. member for Stanstead has raised should not be discussed under section 1. The committee will have to decide whether it can be discussed under section 2.

Mr. HACKETT: I was merely trying to make it possible for the hon. member for Chicoutimi to follow through with what he started. Before we go into details section by section it has always been the practice to discuss a bill in general terms. I understand that the moneys being sought for additions and betterments will affect the whole system. If they do affect the whole system, my submission is that the hon. member should not be precluded from discussing a matter which affects a part of the system. I do not want to protract the discussion at all; I want to be helpful. I am throwing out the suggestion that inasmuch as the betterments apply to the whole system it is competent to discuss the whole system which is to be improved and bettered by the bill.

The CHAIRMAN: That would be on section 2.

Mr. HACKETT: He could talk about it on section 2, but if that matter is included in section 2 it is possible to talk about it now under our interpretation of the rules.

The CHAIRMAN: I would refer the hon. members to standing order 58, subsection 2, which reads:

Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

There have been times when a general discussion has been allowed on the first clause, but that is not according to the rule. It has been done only by unanimous consent of the committee when there has been no discussion on the principle of the bill on the motion for second reading. I should remind hon. members that when we are in committee of supply a general discussion is allowed on the first item, departmental administration. But we are not now in committee of supply. We are in committee of the whole on this bill. The principle was approved by the house when the bill was given second reading. An opportunity was given to all members to discuss the principle then, and now I must ask hon. members to abide by the rules and to discuss each clause as it is reached.

Mr. HACKETT: Mr. Chairman, there certainly is a misunderstanding. If you feel it is your duty to depart from what has been the practice in the house for a very substantial period, that on the first clause of a bill a general discussion may take place—

Mr. CHEVRIER: That was never the practice.

Mr. MACKENZIE: No, only during the war.

Mr. HACKETT: My right hon. friend opposite can refer to the rule, but I can turn to innumerable instances of departure from it in this session and in previous sessions.

Mr. MACKENZIE: May I meet my hon. friend's wishes by suggesting that clause 1 stand, and that he raise the point he has in mind on clause 2?

Mr. HACKETT: This putting things off and attempting to preclude discussion according to the practice on the basis of which we have carried on business is not satisfactory to members of the house. If an accepted interpretation is to be departed from there is a procedure, which is known to all the members of the house, to bring that about. But invariably, for years, and on innumerable occasions this session, a general discussion on the first clause has been permitted. We are all anxious to get on with the business and to get home, and I think it is well not to make any departure now from what has been or modus operandi. I am perfectly familiar with the book, but nobody knows better than you, Mr. Chairman, that we have frequently built up customs which depart from the letter of the law. I am merely suggesting that we would do well at this stage of the session to go on as we have done up to the present and permit a discussion of the bill in general terms before we pass the first clause.

Mr. MACKENZIE: On a point of order, Mr. Chairman, my hon. friend, probably with the best intentions in the world, is entirely incorrect in regard to the rules. During the war on the war appropriation measure it was agreed by all parties that we would have a general discussion on the first item of the appropriation, and so the custom grew up to which my hon. friend has referred, and I think also in supply on agriculture. But it is not the accepted rule of this house.

Mr. HACKETT: It is the accepted practice of this house.

Mr. MACKENZIE: No, it is not.

Mr. GREEN: On the point of order, Mr. Chairman, we in the official opposition, and I think in the other opposition parties as well, are very much interested in an attempt to stop discussion on the first clause of the bill.

Mr. MACKENZIE: I rise to another point of order, Mr. Chairman. That is imputing motives to members of the administration and their supporters. There is no attempt to avoid discussion.

Mr. GREEN: The right hon. gentleman is a bit touchy today. I do not believe I imputed motives to anybody. I do say that this privilege or this right of a fairly wide

discussion on the first clause of a bill is of the utmost importance to those of us who happen to be in opposition, and after the next election it will be just as important to my friends who now sit on the government benches.

Mr. CHEVRIER: You will have to change your tactics to change places.

Mr. GREEN: I suggest that hon. gentlemen opposite be not too insistent in asking for such a harsh interpretation of the rule. I was here during all the war years and before that, as most other members were, and I have never heard that this right extended only to war appropriation acts, or to the first item in the estimates of a department. I urge upon you, Mr. Chairman, that you do not make a far-reaching ruling of that type without having given it the most careful consideration after hearing submissions from various sides of the house. Certainly, as the hon. member for Stanstead has said, it would be unfortunate if at this late date in the session a harsh ruling of the type requested by the Minister of Veterans Affairs were made.

Mr. MACKENZIE: I object to the word "harsh". I simply wish to see the rules observed. There is nothing harsh about it at all. The rules are fair and equitable.

Mr. CHEVRIER: I think in view of the statement made by the hon. member for Vancouver South, particularly his statement that there seems to be an attempt to curtail discussion. I should say just a word. There has been no attempt to curtail discussion. The facts are to the contrary. There has been ample opportunity to discuss the very matter that hon. members are attempting to discuss today; first of all in the committee of railways and shipping, where the affairs of the Canadian National are brought up, to which committee matters are referred for that very purpose; and now the bill comes to the house consequent upon approval of the C.N.R. budget in committee. Again, there will be more opportunities to discuss this whole matter of railways, first on the estimates of the Minister of Transport, on the general administration item; then on his estimates for railway service and railway matters, and again on another part of his estimates. Are we to have three debates on this question, or one? It makes no difference to me whether we have the debate now or later.

Mr. GREEN: Why not have it now?

Mr. CHEVRIER: I have met this before. There will be the same difficulty when the estimates come up and the whole debate will start all over again. It seems to me that we should stick to the ruling, and the ruling has been that in committee of the whole the discussion should have to do with the clause before the committee.

Mr. HACKETT: Mr. Chairman, I have a good deal of commiseration for you. I sometimes lose my way and sometimes my patience, and if I were in your position I would lose my patience more frequently than I do in my own role. But the fact is we want to get on with the business of the house. We want to ask a few questions concerning this matter. I am drawing to your attention an authority which I am sure the right hon. member for Vancouver Centre will not question. It is the authority of my genial friend who sits just behind him, the Minister of Labour, who is an authority on procedure as well as on many other topics.

Mr. MITCHELL: My hon. friend is taking himself too seriously.

Mr. HACKETT: I always take the Minister of Labour very seriously, and I am going to ask you, Mr. Chairman, to follow my good example. This is a matter which came up just a few days ago. An hon. member wanted to discuss, as we are attempting to discuss now, an item on a resolution, and he put forward this argument as reported at page 3894 of *Hansard*. The hon. member for Acadia (Mr. Quelch), who was not being given the latitude that he felt he was entitled to, said:

> That may not be true. On the resolution stage you are free to ask any question pertaining to the resolution, but when we are dealing with the bill we are tied down to individual sections and may find it impossible to ask a particular question. We had an example this afternoon when certain questions were asked and hon. members were told that they could not ask them under that particular section. It is quite possible that when the bill comes down there may be certain questions we want to ask that do not apply specifically to any section, and therefore we shall not be able to ask them.

Whereupon the Minister of Labour intervened and said:

> You can ask them on the title.

I submit, Mr. Chairman, that we should be afforded the opportunity of asking the few general questions which are of interest to us at this time. It will save time and will be no departure from tradition; it will be merely carrying out the understanding that has existed and been abided by in the house for many moons. I therefore ask you to rule that since the equipment which is referred to in the bill

affects the whole system, discussion be not curtailed or restricted in any way, and that the whole system be subject of debate.

The CHAIRMAN: Order. I want to make my position clear as chairman of this committee. I feel that I must abide by the standing orders. Until they are changed by the house it is my duty to enforce them. However, if the committee sees fit from time to time, by unanimous consent, to allow wider latitude than the rules permit, I would certainly have no objection. At all times the chairman is in the hands of the committee. I do not recall any time this session when a general discussion has been allowed in committee on the principle of a bill. I do recall that during the war on the appropriation bills general discussion was allowed on the short title. I believe that a wide discussion can take place under section 2 of this bill. Section 2 has to do with additions and betterments (less retirements) $18 million. I believe that item and other items in clause 2 permit wide discussion, and I am of the opinion that general discussion should take place under section 2 and not under section 1. I would ask the committee to carry section 1 and then proceed with section 2.

Section agreed to.

On section 2—Power to issue securities for capital expenditures.

(Translation):

Mr. GAGNON: Mr. Chairman, will the minister permit me to outline the situation which prevails in my constituency?

Mr. CHEVRIER: Mr. Chairman, I believe that the hon. member should in the first place ask his question. The hon. member for Stanstead (Mr. Hackett) suggested a while ago that the hon. member could ask questions; if they are in order, I have no objection.

Mr. GAGNON: Do the Canadian National Railways intend to repair the line which runs from Chicoutimi to Quebec and Montreal?

Mr. CHEVRIER: I am not in a position to answer that question on this bill. If the hon. member will ask his question when the estimates of the Department of Transport are brought down, I shall then be able to answer.

Mr. GAGNON: I wish to thank the minister.

(Text):

Mr. MACDONNELL (Muskoka-Ontario): May I now have an answer to my first question?

Mr. MAYHEW: I shall give the hon. member an answer to his question. The company serves the Grand Trunk Western Railroad in providing its entrance to the city of Chicago for both freight and passenger service. For passenger service, it provides a joint union station, and for freight service it provides the trackage whereby the Grand Trunk reaches its exclusively operated freight station and team tracks.

In addition to participating in the operating expenses of the facilities of which it has the joint use, the Grand Trunk Western Railroad is obligated by agreement to pay as rental sinking fund payments sufficient to retire certain bond issues at maturity and interest as it falls due.

The amount of $160,500 included in the capital budget of the Canadian National Railways for 1947 covers the estimated requirements for sinking fund payments and interest for 1946 which the Grand Trunk Western Railroad are obligated to pay under the agreement.

Mr. MACDONNELL (Muskoka-Ontario): Is that an annual rental, or is it something that will come to an end after a term of years? Will it continue to be shown as a yearly expenditure?

Mr. MAYHEW: I am told that the bonds mature in 1962 and that this amount will end at that time. It provides for these bonds.

Mr. MACDONNELL (Muskoka-Ontario): Does that really answer my question? When that happens does it mean that there will be no longer any rental or payment of this kind to be made?

Mr. MAYHEW: Yes, that is right. This is a return of capital.

Mr. MACDONNELL (Muskoka-Ontario): Is the same relatively true with regard to the last item, which on the face of it does not look like an acquisition of security or retirement of capital?

Mr. MAYHEW: Under an agreement between the Grand Trunk Western Railroad and the state of Michigan, dated July 20, 1927, the railway and the state agreed, in order to enable the state to carry out its highway programme, the railway would surrender its present right of way from Mile Post 13 in Royal Oak to Mile Post 22·1 between Pontiac and Birmingham; the state to procure a new right of way 100 feet wide for a new double track railroad; the state to advance the cost of the right of way, and the cost of the railroad to be constructed thereon; the railway to repay such costs to the state by fifteen annual instalments, without interest; repayment to commence on December 31

of the year in which the state shall have acquired control of the entire right of way.

Total cost of project to December 31, 1946 ..... $	6,460,025.49
Payments to December 31, 1946—from 1934 to 1946—13 instalments	5,598,688.77
Balance unpaid at December 31, 1946 ..... $	861,336.72
Two annual instalments at $430,668.36 each..... $	861,336.72
Provision in C.N.R. budget 1947 for 1947 instalment	430,000.00

Mr. MACDONNELL (Muskoka-Ontario): Thank you. I have one further question with regard to section 2. I should like the parliamentary assistant to look at the wording of the section. It sets out the amounts which can be borrowed to a total of $46,723,000. Is there any provision for borrowing the money in other than Canadian funds? Is it the intention that there will be no right to payment in United States funds, or to borrow under a debenture which shall be payable either in Canada or in the United States?

Mr. MAYHEW: I am informed that there is no such intention. I would not think there would be, either.

Mr. MACDONNELL (Muskoka-Ontario): It is a matter of some importance. Do I understand clearly that there is no intention of issuing securities payable in other than Canadian funds?

Mr. MAYHEW: I am informed that there is no intention of issuing securities in other than Canadian funds.

Mr. MACDONNELL (Muskoka-Ontario): I presume it has been a matter of consideration and it has been deliberately decided against.

Mr. MAYHEW: I understand it has been approved by Finance. I think it will be found that over the years the government has not been borrowing money in other countries, and that the amounts are payable only in Canada.

Mr. MACDONNELL (Muskoka-Ontario): It has been the practice for some time now to have them payable only in Canada?

Mr. MAYHEW: Yes.

Mr. CHURCH: Section 2 of this bill which has to do with power to issue securities for capital expenditures, is as ancient as 1931. The marginal note opposite the preamble gives a list of enactments starting away back in 1931, and there are acts also in 1932, 1933, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, and now 1947. Surely this method of financing improvements on the system and power to issue securities for capital expenditures is more frenzied finance. I read the report No. 2 of the proceedings of the special committee on railway and shiping, No. 2, and I saw some reference to this matter in one or two of the questions. I think the hon. member for St. John-Albert said something about it. It was found that in these particular matters of betterments and new equipment, some of it was going to subsidiaries of the Canadian National, the Central Vermont and other places, whereas the old national railways in Canada are starving for new equipment and betterments. Take a look at the cars you are travelling on in the province of Ontario. Surely we should be able to look after our own system within the borders of Canada, fix up the rights of way, provide better rolling stock, and that kind of thing, before we start spending all this money away down in central Vermont. It was in Ontario that the old Grand Trunk and the Canadian Northern made nearly all their money to start with, and that most of the money was made in connection with the national system.

I would further call attention to the stations and the equipment for some of the trains. They have not proper appliances. Why should we spend this money on subsidiaries in the United States? The same thing applies to ships, such as the *Northumberland* on Lake Ontario. The hon. member for Davenport is not going to risk his life again on that; this year he is going to have his picnic at Centre island instead of at Port Dalhousie. I would call attention to the policy involved in this vote. They should have redeemed all these expenditures out of earnings. The amount of money involved is, for additions and betterments, less retirements, $18,000,000. Then you have to refer to the top of page 2 of the bill where it says:

Less: Available from reserves for depreciation and debt discount amortization, $16,518,000.

That makes a total of $46,723,000. Included in that is $41,500,000 for new equipment. What equipment we are getting I do not know.

It has been the practice in the house to refer these matters to a committee. I have read over the list of questions asked in committee and I fail to see where any improvement has been made on the suggestions made here in committee of supply. The road is doing very well; I am not here to criticize the road. It is a splendid railway, has splendid officials and has splendid equipment in many parts of the country; but there are other

sections, such as in Ontario, where it is not so good. I believe the time is coming when the old provinces, especially Ontario, should get some consideration with respect to equipment and betterments and all that kind of thing. I believe that charity begins at home. Why should we spend money on subsidiaries in central Vermont and other places in order to try to keep up with the Joneses, so to speak, with the Century Limited and all the special kinds of new cars we see on trains over there?

Mr. KIDD: Will the minister give an explanation of the first item in section 2? What is the $18,000,000 for? Is there any way of breaking that down?

Mr. CHEVRIER: Yes. The $18,000,000 is divided up with reference to the various regions of Canada as follows:

Additions and Betterments	1947 Budget
Atlantic region	$ 1,912,944
Central region	7,420,829
Western region	3,878,047
Grand Trunk Western Railroad Company	2,476,568
Central Vermont Railway	333,362
Subsidiary companies	3,173,504
Express, telegraphs and other departments	3,157,068
Additions and betterments to equipment (Canada)	2,708,541
Equipment retirements .....Cr.	2,060,863
	$23,000,000
Less—Portion of projects included in the above requirements which will not be physically completed by December 31 each year	5,000,000
Total	$18,000,000

(Translation):

Mr. GAGNON: Mr. Chairman, if I understood the minister correctly, there is no amount provided for improvements in Lake St. John and Chicoutimi districts.

Mr. CHEVRIER: There certainly is. The sum of $1,912,000 will be expended in the Atlantic area.

Mr. GAGNON: Is it proposed to spend part of that amount in our district?

Mr. CHEVRIER: Yes.

(Text):

Mr. TOWNLEY-SMITH: Is it permissible to inquire what is constituted in additions and betterments? Does that include the building of new lines?

Mr. CHEVRIER: No. No new lines are provided for under additions and betterments.

Mr. FERGUSON: Are the government guaranteeing to any large extent the five per cent bonds of subsidiary companies?

Mr. CHEVRIER: This is a financial matter. I know of no bonds of the subsidiary companies which are being guaranteed. But the hon. member is perhaps familiar with the bill which the parliamentary assistant to the Minister of Finance had up I think last week, and again at the beginning of this week, concerning the issue of additional securities.

Mr. FERGUSON: Is the government guaranteeing the railway's bonds at five per cent? If so, could any of the bonds be bought back and floated at a lower rate of interest, considering the present interest rates, thus saving millions of dollars?

Mr. MAYHEW: The only five per cent bonds the government has are those of the Canadian National Railway Company. They are callable in 1949, and cannot be redeemed until then. They mature in 1969. Another one is callable in 1950 but matures in 1970. As I understand it, when these bonds are subject to call, it is the intention to call them, and that would be the end of the five per cent bonds. But that was taken up on the refunding bill.

Mr. FERGUSON: Is it the government's intention to float no more issues where the bonds are not callable for a long period, so that when low money rates come along they will not be tied to these exorbitant interest rates? That may bring a smile to the face of the hon. gentleman, but it is a pretty serious matter for the Dominion of Canada.

Mr. MAYHEW: I cannot tell what is going to happen in future, but certainly there is no intention of doing that at the present time. What we may be obliged to do five, ten or fifteen years from now I cannot say.

Mr. FERGUSON: The government can express its intention, and govern itself by future conditions. Its present intentions should be expressed now. No one but the government can express them.

Mr. MAYHEW: The last issue was 2¾ per cent. It is our intention to keep the interest rate as low as possible.

(Translation):

Mr. GAGNON: Out of the figure just mentioned by the minister what specific amount is earmarked for the constituency of Chicoutimi?

Mr. CHEVRIER: There is no way of telling what it would be for the good reason that no separate accounts are kept for each constituency. I may say to the hon. member

that if the railroad in which he is interested is under C.N.R. control, close to $2,000,000 will be spent in the Atlantic district.

Mr. GAGNON: The minister cannot then state any definite amount for the Chicoutimi area in particular?

Mr. CHEVRIER: No, I cannot.

(Text):

Amendment agreed to.

Section as amended agreed to.

Sections 3 and 4 agreed to.

On section 5—Power to aid other companies.

Mr. MACDONNELL (Muskoka-Ontario): Will the minister please look at the first line of this section, which reads:

> The national company may aid and assist, in any manner, any other or others of the said companies—

And so on. I suggest that this is going quite outside the limitations of section 2, though if that is so I am sure it is quite unintentional. I think that should read, "in any manner not inconsistent with the terms of section 2", because surely this is a broadening out.

Mr. MAYHEW: I am told that this wording is exactly the same as it has been for some years.

Mr. MACDONNELL (Muskoka-Ontario): Do we never want to make any improvements? This is for the purpose of improving it.

Mr. MAYHEW: The suggestion will be brought to the attention of the minister.

Mr. MACDONNELL (Muskoka-Ontario): That does not affect my comment. I should like to ask the Minister of Transport in his legal capacity if I am not correct.

Mr. CHEVRIER: That is just the comment I was making to my hon. friend. I would not want to be discourteous to the hon. gentleman, but I was saying that the question is whether it would be an improvement. In matters such as these we have to take the advice of the Department of Justice, which has gone over this bill and approved it. In view of that fact I feel that the interpretation we have placed upon it is the correct one.

Mr. MACDONNELL (Muskoka-Ontario): I suppose it is always possible that even the Department of Justice may overlook something. I am not suggesting that it is a mighty matter, but I am confident that I am right, and it seems to me it might be worth while, if it could be done, to let this section stand and refer the matter to the Department of Justice.

[Mr. Chevrier.]

Mr. CHEVRIER: May I suggest to the hon. gentleman that in view of the fact that this has been the wording over the years, the hon. gentleman allow it to go through, and I will make it my business to discuss the question with the Department of Justice to see if, in the bill which will come up next year, it may not be possible to meet the wishes of the hon. gentleman.

Mr. IRVINE: May I ask the minister what "said" companies are these? I do not see any except the national railways.

Mr. CHEVRIER: The subsidiary companies of the railway.

Section agreed to.

Sections 6 to 8 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

FISHERIES RESEARCH BOARD

PROVISION FOR SCIENTIFIC, TECHNICAL AND OTHER OFFICERS AND EMPLOYEES

The house resumed from Friday, June 6, consideration of the motion of Mr. Bridges for the second reading of Bill No. 264, to amend the Fisheries Research Board Act.

Mr. THOMAS REID (New Westminster): In rising to speak on this bill to amend the Fisheries Research Board Act, let me at the outset commend the minister for introducing this legislation and for the amendments proposed therein. I want to take the opportunity now, which I did not have last session, to disabuse the mind of the minister, if I have to, and the minds of hon. members with regard to my attitude toward research and the fisheries research board. I want to make it perfectly clear that I am one of those who believe in research; and if I offered some criticism last year I have no apology for having done so, because I had one object in view. As one who has been here for eighteen years, and since the inception of the fisheries research board, I realized that some startling statements had to be made, and that I or someone had to make it strong if we hoped that any attention would be paid to the criticisms offered. I had no animosity against the personnel of the board; there was nothing personal in the remarks I made last year. I want to make it clear that I am in favour of research, and in favour of expending even more money for that purpose. But I was not in favour nor am I of the way the moneys were being expended under the direction of the fisheries research board. Therefore I am

pleased that the minister has seen fit to propose certain changes in that act; and when we are in the committee stage, or if the bill is sent to the fisheries committee, I may have some further proposals to offer which I believe should be incorporated in the bill.

The step being taken now, by which one of the departmental officials will become a member of the fisheries research board, and the action taken to bring the board more under the direction of the minister himself, I think are all to the good. I can speak with some little experience, because since 1937 I have had the honour to be a member of the international Pacific salmon fisheries commission; and I can tell hon. members that if we had allowed the scientists on that commission to do as they pleased, without any check or instructions and without calling upon them to produce results along certain definite lines, I doubt that the international Pacific salmon fisheries commission would be in the splendid position that it is in today. Anyone who has had to deal with scientists, particularly fisheries scientists, knows very well that individuals of this type are sometimes inclined to spend a lifetime on some form of investigation which, while it may be very interesting to them and other scientists, is of very little value to the industry which is dependent upon research.

I am not going into the history of the research board at this time, nor am I going to criticize the expenditures that have been made, because I have quite a number of more important things to say. The general criticism I offer first of all in regard to the activities of the board is that their investigations have been far too general. The varieties of fish in respect of which research should be carried out are far too numerous, and in my opinion the board has therefore dissipated a great deal of its efforts. However I am going to make one or two comments before dealing with the annual report itself, which I have before me. Let me say again that my remarks today will not be destructive though they may be critical so far as the board is concerned, but will be more by way of suggestion—even if at times what I say may appear to be severe in my criticism.

Although Canada is a great fishing nation, Canadians consume less fish per capita than the people of any other nation. According to the latest statistics the consumption of fish in this country stands at roughly eight and a half pounds per head of population.

We are reaching a time when the fishing industry, looking to the future, is beginning to view with alarm what is going to happen to the great quantities of fish produced, especially when our export markets begin to diminish. In what I am about to say I am not making any reflection upon the present Minister of Fisheries (Mr. Bridges); indeed I give him credit for the great personal interest he has taken in the industry, and what he has done for its benefit, from one end of Canada to the other. But I must say that if more had been done to have our people consume more fish, and especially during the years of war, when all countries, with the exception of the United States and Canada were short of food, it would have been all to the good, from the standpoint not only of the industry itself but also of the health of the people.

Those who have examined food and food values have made it abundantly clear that there is no more healthful food for the human race than fish. But today in Canada fish is almost in the same position as the egg was some twenty-five or thirty years ago; when one in past years ordered an egg in a restaurant he was always fearful that he might find a chick or something worse inside. The consumption of eggs in those years in Canada went down, and so the Department of Agriculture undertook to improve the quality. While I will not say there was a rebellion, certainly in certain provinces there was amongst some farmers definite opposition to the regulations designed at that time to improve the quality and increase the consumption of eggs. In Canada today fish and fish products are not being ordered by the average housewife, the average citizen and the average family as a necessity, but rather as a substitute. Much more could have been done by the Department of Fisheries, and especially by the fisheries research board, to improve the quality of our fish. I do not know that it is the duty of the fisheries research board to check the varieties of fish offered for sale, but anyone who knows anything at all about fish must realize that in the central provinces, and especially in Ottawa, when he orders a certain kind of fish he is often served with another kind or variety. I am not throwing out any brickbats when I say that I have been in no city where this happens more frequently than it does in the city of Montreal.

Even in the parliamentary restaurant one finds at times the same condition. Far be it from me to criticize the restaurant in this building, because the meals here, to my way of thinking, are splendid and well served. Anyone who is not content with them—well, I do not know what on earth would satisfy him.

Mr. MacNICOL: You will get an extra piece of pie for that.

Mr. REID: I am not speaking for any favours today.

Mr. MacNICOL: But don't refuse it.

Mr. REID: On occasions I have ordered haddock: it was cod, not haddock, that was served. But in restaurants in Ottawa and Montreal I have been served with varieties of fish which I really could not name. I have ordered haddock, but what I got had no more relation to haddock than a eulachon has to sockeye salmon.

Mr. MAYHEW: Did you ever order sole?

Mr. REID: Yes, I have ordered sole, but I hesitate to order it again, after what I was served. Some check-up should be made in this matter. It is well known that fish is more palatable the closer one gets to the source of production. Efforts will have to be made to have fish brought to inland districts in better form and fresher condition. Some countries are doing that very thing. Only the other day I read that Norway has now established small landing fields along its coastline. Catches of fish, after being frozen, are flown from these locations to the interior cities. Some such step will have to be undertaken in Canada, perhaps not by the fisheries research board, but by the minister's department.

The fisheries research board could do much more than has been done in regards to this. Consider also the smoking of fish. I believe the smoking method was perfected in the maritime provinces over 20 years ago and great credit is due them for that development. But since the smoking process has been perfected, nothing has been done along this line for the past twenty years. Fish were smoked for two purposes, to improve the quality, and to preserve the fish for a certain length of time. Many consumers and many grocers who buy fish still believe that because a fish has been smoked it is preserved for any length of time, and that it can be left indefinitely in the open. Such, Mr. Speaker, is not the case.

Proper smoking is all to the good, because the longer a fish is smoked the longer it keeps, and perhaps the taste also improved. But some firms got tired of using the old smoking methods, and now I understand they give the fish a little whiff of smoke, and then add a lot of paint, in the form of some type of tar product. This, I understand, does not add to the digestibility of the fish. The result of all this is that the consumption of smoked fish in Canada has gone down.

[Mr. Reid.]

Here there is a great field for research work. Fish is one of the finest foods on earth, and fish considered from the standpoint of production and man hours of work, is one of the cheapest sources of proteins. Investigations have been made, where comparisons have been made between pork and fish products. It has been proved beyond peradventure that fish can be produced more cheaply per man hour of labour than can pork.

I want to repeat that we must put across the idea in this country that fish is a necessity, not a substitute food or something to be eaten perhaps on one day in the week. That idea can be put across if we take the proper steps, assisted by the research board, to improve the quality of the product and the methods of preserving. There is a great field in connection with preservation by ice or other methods of freezing. At present there is a world shortage of food and yet before long this country may be faced with a surplus of fish. We consume roughly only 8·5 pounds per capita when we should be eating twice that amount, if not three times as much. If we were we would not be so much concerned about export markets.

Mr. MacNICOL: That is in how long?

Mr. REID: One year.

Mr. MacNICOL: That is really nothing; it should be far more than that.

Mr. REID: One must not be confused with the consumption given sometimes in bulletins that are put out. The figures there refer to the amount of fish when caught and retained in this country for consumption, but I am referring to the edible portion of the fish which is consumed. Some countries consume as much as 75 to 80 pounds per capita and I understand that Denmark and Japan, two of the greatest fish eating countries in the world, consume well over 100 pounds per capita.

Mr. MacNICOL: What is the consumption in the old country?

Mr. REID: I have not the figure for the old country before me but before the war their consumption was far greater than ours. We are one of the smallest fish consuming countries in the world.

There are some matters in this report which I should like now to bring to the attention of the minister. It is my intention to deal only with British Columbia because I have given more attention and study to conditions there than to conditions in the maritimes. I shall leave any criticism or suggestion with reference to that part of the country to hon. members who come from the maritime provinces.

I have in my hand the report of the fisheries research board for 1946 and I should like to deal briefly with some of the matters set out therein in connection with fishing research in British Columbia. I do this, not with the idea of tearing down what has been done, but merely to show where I think they have been amiss and improvements made. Reference is made in the report to the investigation carried out on the Skeena river. Anyone who has given this matter any study cannot avoid coming to the conclusion that the Skeena river fisheries are much too large to be successfully covered by what is being attempted by this board. Their investigations in some lines have been far too meagre. If they intend to cover the Skeena river they should have more investigators, more scientists, and more time and effort should be spent.

Another matter referred to, is the investigation in connection with hair seals on the Skeena river. That is all to the good, but I wonder why they left out the Fraser river. The menace from hair seals is ten times as great in the Fraser river as it is in the Skeena. Looking through the records the other day, I noticed that some fishermen are refusing to go out on the Fraser river because the depradations by hair seals are so great they constitute a financial loss. Not only are the nets damaged but, the fish are destroyed as well. I have been on sand bars near the mouth of the Fraser when the tide was out and on one occasion I saw a herd of over 1,000 seals. Fishermen tell me that where thirty-five to forty fish are caught in a gill net, at least thirty would have their heads or tails nipped off by the seals. It should not be left to the fishermen to destroy these seals. I mention this because the fisheries research board did make some investigations on the Skeena river but, as I say, the menace there is not as great as on the Fraser.

Reference is also made in the report to the general salmon investigations made by the research board. They state that the runs of pinks and chums have been going down. In the north the runs have been going down from 1919 to 1944; yet no recommendation is made as to what should be done to build up the runs in that area. In the south the runs have been going down since 1938. It is all to the good to have the information from the research board that the runs are going down, but steps should be taken to try to preserve the runs and bring them back to their former greatness.

It is suggested to the returning veterans that they should go into fishing, but I would warn veterans in British Columbia not to rush too quickly into that business especially on the Fraser river. There is only a certain quantity of fish each year but 10,000 or 12,000 licences have been issued. If more enter the business they are just cutting down the returns of those who are already there. Unless we do something to build up the runs to what they were in previous years, the situation will be serious indeed, since no steps have as yet been taken to go out into the offshore fisheries and develop these on behalf of our people.

Then, in connection with pink salmon, I wonder why the research board have omitted the Fraser river from their investigation. They did do some investigation on the Fraser river some years ago. I am not going into that other than to say that the picture of their research work on the Fraser river is not as good a story as I would like to tell. We have at present a problem on the Fraser river with regard to pink salmon. Up until 1913 the pink salmon used to go above Hell's Gate and spawn in the upper reaches of the Fraser river and in the lakes and streams of interior British Columbia. Not only did the disaster of 1913 block out the sockeye salmon at Hell's Gate, but the pinks practically ceased to go above Hell's Gate after that year.

Mr. MacNICOL: What caused the disaster?

Mr. REID: The contractors who were building the railroad blasted thousands of tons of rock into the canyon. I think the story has been told in the house before and I would be delighted to deal with it again, but I have so many other matters I want to take up. If I started to talk about that I am afraid I would take up all my forty minutes. That condition was cured with the setting up of the international Pacific salmon fisheries commission. The United States government and the Canadian government through that commission constructed two fishways at Hell's Gate canyon which has cost close to $1,000,000, fifty per cent being paid by the United States and fifty per cent by Canada. It is interesting to note what took place last year. The pink salmon which could not previously get through Hell's Gate canyon because of rough water and the velocity of the water were able to get up through the fishways in great numbers. The United States not only get the first crack at the sockeye salmon heading for the Fraser river but also first crack at the pink salmon, and yet we in this country provide the home for these fish and try to safeguard them as much as we can. They are really Canadian fish. The international Pacific salmon fisheries commission under the treaty can investigate only one species of fish, that is the sockeye salmon. They have no jurisdiction or authority to investigate pink salmon or any other variety. But here we have another

variety of fish called the pinks, eighty per cent of which are taken by the United States; yet ninety per cent of the run find their home in British Columbia. Nothing has been done by the fisheries research board to find out what percentage of these pinks go to the Fraser river, how and where they spawn, and how many the United States really get of what I claim are Canadian fish. Either the fisheries research board should be specifically instructed by the minister to investigate this question, as I think they can be when this bill passes, or further authority should be given to the international Pacific salmon fisheries commission, not only to investigate and rehabilitate the sockeye salmon industry but all the other varieties of salmon which come up the Fraser river. That, of course, would require an amendment to the present treaty, but it is something I commend to the consideration of the minister and the house.

Another fishery is mentioned on page 46 of the report, the Cowichan river salmon. It has been investigated over many years but so far with little results. The board point out in their report:

> This investigation has been carried on over a number of years and has resolved itself into a study of the variations occurring in a coho salmon run or population, subjected to commercial fishing along the west coast and in the strait of Georgia, and to an important sport fishery in Cowichan bay . . .
>
> Nowhere yet is there any body of information of this kind.

I maintain that is not good enough, just to place before parliament and the fishing industry that there is no body of information on this question. I go back to the salmon called pinks and chums and repeat that it is not good enough to simply say that their numbers are going down and leave it at that. That does not help the industry very much unless steps are taken to build up these salmon runs.

The board have investigated pilchards, but I do not think anything has been done by the fisheries research board, so far as I can find out from the report, to investigate pilchards out in the open seas.

Some sunken net fisheries study has also been done. That includes thirty varieties or species of fish. Three or four men allotted to that work are not, in my opinion, enough. If they are to investigate the life history of some of these fish, as they likely will have to do, I wonder just when they will reach any conclusions, especially if only three or four investigators are investigating thirty varieties of fish and carry out their investigations over an area extending perhaps for hundreds of miles. The fisheries industry cannot afford to wait more than a lifetime or two for results. They cannot afford to wait for fifty or a hundred years for recommendations if we are to get any benefit from them. These investigations should be hurried along. I think the minister should tell the board: I want you to investigate this variety or that variety, and that he expects some definite reports or results from their investigation within a reasonable period of time.

I have a word to say regarding oyster studies. I know that the great oyster fisheries in this country are in the maritime provinces, but we in British Columbia have developed some fine oyster beds too. The work in oyster research should be correlated with what is being done in the eastern maritimes. We should also find out what the state of Washington is doing, because the waters and the conditions there are the same as in British Columbia. I might point out that last year British Columbia marketed oysters to the value of $106,000. For many long years we have been bringing what is known as oyster spat or seed from the maritimes to British Columbia waters. The results were not altogether successful. This spat was crossed with the native oyster and even then the product was not as desirable from a marketing point of view as required, although the quality was fairly good. Until the war broke out oyster spat was imported from Japan and it was found that this oyster spat from Japan just suited British Columbia waters. Spat is now beginning to come in again from Japan.

An hon. MEMBER: It was assimilated.

Mr. REID: It is too bad we could not do that with the natives from Japan, but the oysters seem to be in a class of their own. Today in the gulf islands, which I know very well because I lived there for six happy years in the early period of my life, the beaches which had no oysters back in those days in 1911 are now beginning to have oysters on almost every beach. This is due to the importation of spat or seed from Japan which has crossed with the native spat and with spat from the east and now there has developed an oyster that does extremely well in the waters of British Columbia. Under the heading of "Oyster Studies" on page 49 of the annual report of the fisheries research board I find this:

> The only work conducted on oysters in 1946 consisted of experiments by Alice M. Kelley, under the supervision of Mr. Neave, on tank propagation of oysters. If a satisfactory and feasible method of production of seed in tanks could be found, oyster growers would be less dependent on natural setting or on importation of seed from Japan for maintenance of stocks.

I claim that is not good enough for an industry which is today developing and in which success has already been obtained, not through the department, but by those engaged in the fishing industry.

We find also in the report of the board that they actually spent some little effort on a small fish called eulachon which comes to the Fraser river. I think it would be no great loss to leave the eulachon to the Indians and not bother with them from a marketing point of view. You can look through the reports of the Department of Fisheries and not find any mention of this fish, and yet the fisheries research board is spending some time in investigating it. It would be better if the department spent some time in finding out what happened to the great sturgeon of the Fraser river. I have in my hand a picture of a sturgeon caught when entangled in their net by gill net fishermen and weighing 633 pounds. It is worth fifty cents a pound, and a fish that was reckoned at one time and still is, as food fit for kings and for anyone. Yet no investigation of any kind has been made as to the cause of the decline or disappearance of the sturgeon. Only the odd few come into the Fraser river today. In the early days many sturgeon came into the river; at one time it was a regular fish on the market. From the fish that was caught the other day the fishermen took 100 pounds of eggs or caviar and received fifty cents a pound for the fish. The weight of this fish was not a record, because sturgeon up to 1,000 pounds have been caught in the Fraser river. The one that was caught recently weighed 633 pounds. In the light of this, is it any wonder that some of us who have read the report and know a little of the industry out there are not too enthusiastic over the research board. It was that and a lot more which caused me last year to make some of the rather harsh statements that I did.

I have pretty well covered the report in so far as British Columbia is concerned. In conclusion, I wish to say that I have a few suggestions to make and I trust that the minister will give them serious consideration. He may not be ready to adopt them all this year under the present amendments to the Fisheries Research Board Act. It is my opinion that the fishing industry as a whole should be represented on the board. It is true that there is one man, an estimable gentleman, on the board who at the time he was appointed, however, was not connected with any fishing company. Today it is felt by some that perhaps he receives some advance knowledge for his company from the research board. I am not accusing him of that; I am merely stating what some of the fishermen believe out there. They believe also that there should be a representative fisherman on the board. There should be one representative of the fishing companies on the board and, of course, the minister is putting a representative of his department on the board. That is all to the good. I trust that he will give my suggestion serious consideration.

It is high time also that this board was brought closer and made—I probably should not say "made to cooperate" because the two words do not go together. There should be complete cooperation with the fisheries research board and the fisheries departmental officials on the coast and with the department in Ottawa. We cannot allow a board as important as the fisheries research board to remain aloof and apart and do their own investigating without correlating the entire fishing interests into a closer unity and thereby pooling all our knowledge and all our skill. As I resume my seat I want to say again how pleased I am that this first step has been taken. I say to the minister that the statements made last year were not an attack in any personal way against the fisheries research board. I made the statements so that some attention would perhaps be paid to the matter and I have the feeling that somehow or other it has brought some good results.

Mr. G. R. PEARKES (Nanaimo): I am sure the fishermen of British Columbia will be interested to hear that the hon. member for New Westminster (Mr. Reid) is interested in scientific research, and I am quite certain that his admission of that fact will carry a great deal of weight because his long experience and connection with the fishing industry are well known out there.

In some of the remarks which I shall make I shall endorse the facts that he has presented and also the recommendations that he has made, but I shall not take quite the same line of approach as he did. It seems to me, listening to his address, that he was holding up the fisheries research board, and particularly the biological station at Departure Bay near Nanaimo as a whipping boy for the government. It is not the fault of the research board; it is not the fault of the biological station at Departure Bay that they have not been able to accomplish as much as the industry would like. It is because they have not had the support of the government, and the government must take the blame and not pass it on to an organization which is not adequately supported.

Then the hon. member for New Westminster went on to criticize the work which had been done by the biological station at Departure Bay and said that it was of little value because the scientists there had dissipated their efforts. In the remainder of his speech, which was somewhat illogical in that respect, he went on to enumerate instance after instance where they might well disperse their efforts by carrying out investigations in other areas on other species of fish, which they had neither the time, the staff nor the facilities to do. You cannot accuse an organization of dissipating their efforts and then suggest that they still further dissipate those efforts and be consistent.

The hon. member for New Westminster referred to the annual report of the fisheries research board. The acting chairman of the board, in making his annual report said:

> The fisheries research board is charged by parliament with the responsibility for carrying out such researches and investigations as will enable the fishery resources of the country to be managed in such a way as to yield the greatest possible return over the longest possible time.

Then the chairman goes on to say that the results of the board's studies are applied in the management and exploitation of the fisheries through the Department of Fisheries and the fishing industry. I must admit that if you judge by the results of the research board as they have been applied in the management and exploitation of our fisheries through the Department of Fisheries and the fishing industry, either the board or the government stands indicted for failure, because the fishing industry is today probably in the most precarious position of any major industry in Canada. It would appear to me that a thorough reorganization of the fisheries research board is long overdue, not as the fault of the scientists, but as the fault of the government in neglecting to support the board.

Some of the reasons why the fishing industry is in this precarious position cannot, of course, be directly attributed either to the board or perhaps even to the government. For instance, the cessation of the bulk buying by UNRRA and the rapidly diminishing purchases of fish products by the United Kingdom have all resulted in the elimination of foreign markets which we have enjoyed in recent years, and have resulted in a sharp decline in the price that has been paid to the fishermen. For instance, on Vancouver island a year ago a fisherman was paid ten cents a pound for fresh cod. In a letter I received only a couple of weeks ago I was informed that for the same fish the fishermen are today receiving only six cents a pound. There is a reduction of forty per cent in the amount that the fisherman receives for his toil. On the other hand, the cost of fishing gear has gone up tremendously. In some instances it has gone up 100 per cent to 200 per cent of what it was in the basic year, 1941.

I refer to one instance only, although I have many of them here if any hon. member is interested. In 1941 the price of one-and-a-half inch mesh cotton netting was 66½ cents. Today it is $1.54. There is a considerable increase to the fishermen in the cost of all gear and supplies, not to mention the cost of living. If this bill is intended to extend and increase the efficiency of the fisheries research board, and to bring that board into closer contact with the department by the appointment of a responsible officer to supervise and administer the work of the board, I think at best it can be described as an eleventh-hour measure to try to save the industry. I am pleased to see that there is this administrative connection because in the main, the board and the officials of the board are scientists, men who are devoting the whole of their energy and time to scientific studies. That type of professor is not always a practical man. He is not always a good administrator. That may be one of the reasons why the board has, in the past, not been able to render all the service that was expected. With the addition of an administrator from the department, I feel that the results should be more satisfactory. I do not think I am exaggerating the case when I say that for years overpressure of work and lack of adequate personnel have prevented the board from functioning efficiently, and that the lack of this administrative personnel has been keenly felt, alike by the scientists of the board and by the industry itself.

As for fulfilling the responsibilities toward maintaining the greatest possible yield over the longest possible time, as the hon. member for New Westminster has pointed out, they can hardly be credited with having achieved results in that direction, because the salmon industry in British Columbia has been, and still is, showing unmistakable signs of depletion. Neither effective nor adequate corrective measures have been taken toward stabilizing the industry at a higher productive level by maintaining or increasing the run of salmon. As has been shown by the investigations carried out by the board and by the biological station at Departure Bay, many of the streams and spawning grounds which were at one time prolific producers have now become seriously depleted and, in some cases, completely exhausted. The investigation is

still continuing to find out the reasons why there has been this depletion, and what corrective measures can be taken.

I could give many examples. Examples have been given in the brief which was presented to the Minister of Fisheries (Mr. Bridges) by the industry in March, 1946, and again in April, 1947. Perhaps I might refer to just one instance mentioned in that brief. There is an area on the west coast of Vancouver island which, a few years ago, produced 15,000 cases of sockeye in one season; in 1944 it produced less than 1,000 cases. In 1939, 213,000 cases of chum salmon were produced off Vancouver island; in 1944 only 50,000 cases were produced. You may blame the biological station at Nanaimo for not having given you more precise information. But I suggest that these scientific examinations of the run of salmon, particularly when the salmon run in cycles of four years, all take time in order that the scientists may arrive at a correct solution of the problem. I do not think the industry would like to be set off at half-cock and to be advised to follow a course of action which would not be definite and satisfactory, where the results would not be conclusive.

We know that the streams on Vancouver island and on the Pacific coast are affected by many other occupations. They cannot be devoted entirely to the interests of the fishermen. Logging operations clash in some respects with the requirements of the fishing industry; and the general development of the country has, of course, militated against the further productiveness of the streams. However I think I can say that the rehabilitation of the British Columbia salmon industry is a major problem facing the fishing industry on the Pacific coast. I also maintain that this rehabilitation cannot be accomplished without the help of the scientists. While I have suggested that perhaps this research board to date has failed to produce results which satisfy the industry, I do not question the sincerity or the ability of the scientists who have been employed. Rather do I accuse the government of failure to support that board adequately in the past, and I hope that this new bill is a step in the right direction.

As I said before, for years overpressure of work and lack of personnel have prevented this board from functioning properly. I know very well that at the Pacific coast biological station at Departure Bay the work has become so congested that seldom is an investigation completed before ten other new problems are thrown at the staff. Again and again they have been asked to carry out a $100,000 investigation for $1,000. Satisfactory research work cannot be carried out in the conditions under which those scientists are working. The building itself is old and out of date. There are piles of documents which have been collected only after years of long research work. In the past they have been working under the greatest possible handicap, with poor staff accommodation and poor means of storing their records. I know that matter was brought to the attention of the minister when he first visited Nanaimo, and I hope that steps will be taken to provide a new building for that Departure Bay station.

As the hon. member for New Westminster said, general investigations have been conducted on the salmon run in the rivers and streams on Vancouver island and on the mainland between the Fraser and the Skeena rivers. Hundreds of fish have been tagged each season in order to trace their migrations and to test the escapements from the spawning grounds. As the hon. member said, investigations have also been carried out with regard to herring, pilchard, ling cod, clams, oysters, seaweed and many other activities, and I suggest that if it had been possible to carry those investigations to their logical conclusion they would have been of immense value to the industry. But as I have already said, that work has been hampered by lack of staff, cramped accommodation and inadequate facilities.

Biological research is not by any means the only activity this board should undertake. There is the whole field of what might be called technological research. By that I mean research into the methods of production, processing, distribution and marketing, in order to maintain what is referred to in the industry as continuity of quality, that is, continuity of quality of the fish from the time it is caught by the fisherman until it reaches the consumer. It is true that the two major companies on the Pacific coast maintain laboratories and experimental staffs of their own which are investigating these technological matters, but quite naturally the findings of the specialists employed by those companies are not readily available to the smaller companies and the cooperatives. As yet the cooperatives are not in the position where they may maintain staffs in order to carry out this technological research. Therefore they look to the research board for assistance in that way. I suggest that this field of technological research has been hardly touched by the board, though it has a direct bearing on the development of the fishing industry.

The lack of coordination between the department and the research board has, I know, been brought to the attention of the

minister and the government on many occasions. Again, if this bill is intended to correct that condition it will be beneficial to the industry. Up to now the chief supervisor of fisheries has had no control over the research stations; and as a result of the lack of close collaboration between supervisory and research staffs, much of the work has been duplicated and become ineffectual. I have mentioned that in the past the board has been woefully short of scientific personnel. As a matter of fact there have been few inducements to attract young men of the right type and with the right education into the service. I understand that in this bill provision is made to extend to them some of the advantages of our civil service, and I should hope that, in addition offers of adequate remuneration will be made, and that there may be a system of promotions and conditions of service that will not only draw into this scientific service but also hold in this service the best type of young Canadians who may be interested in this work. In the past too many of these young scientists who have started out in this scientific research work for the fisheries department have found greater attractions in the United States and have left this branch of the work because the inducements and the security have not been sufficient to hold them.

At the last annual meeting of the Fisheries Council of Canada an educational programme was urged. The hon. member for New Westminster also suggested that an educational programme should be started. I heartily endorse that recommendation. It was suggested by the Fisheries Council of Canada that the department set up a division for assembling and disseminating information on how to care for fish all the way down the line from the fisherman to the producer to the wholesaler to the retailer, and right down to the consumer. It should be remembered that at every stage in that line fish is an extremely perishable product, and there is great scope for thorough investigation and for a thorough educational programme. Further, I think this educational programme would be within the legitimate realm of the board, provided that the board was given the facilities and personnel to carry it out. One has only to remember that for many years other and competitive protein foods have had the support of a vast government educational system. We need only think of the experimental farms which the Department of Agriculture has scattered from one end of the dominion to the other to realize the educational programme that has been undertaken in the past by that department. That has not happened as far as the fisheries are concerned and, as the hon. member for New Westminster has said, the result is that the average Canadian eats 8·4 pounds of fish a year, whereas he consumes 139·7 pounds of meat, 27 pounds of poultry and even 38·9 pounds of eggs. Surely there is opportunity for an educational programme to increase the consumption of fish; but the industry, assisted by the government, has to find a way of producing and delivering the fish in an acceptable manner. The president of the Fisheries Council of Canada said, at a recent convention:

> If the industry could achieve a universally good product, standardized as to quality, and if our fish were prepared and merchandized effectively, our fish consumption would soar.

I suggest that exports would be unimportant, and that lack of production would be our difficulty. He then went on to say:

> If our per capita consumption of fish was increased by three and a half ounces per person per week each year for five years, it would keep the engines of our fishing boats and the machines of our processing plants running at overload capacity to meet the demand.

I suggest that this is a realm in which the fisheries research board could carry out investigations along these lines. The same sentiments were voiced to me in a letter from a practical fisherman, secretary of a cooperative, who wrote the other day and said:

> The average housewife should be educated to the fact of what really fresh fish should be. I am certain very few people across the dominion know what really good fresh cod and salmon taste like. I honestly believe that if the average person could get fish in as good shape as we bring it into our local camps we would have very little difficulty in building up a healthy fish appetite in this country of ours.

Then he goes on to say:

> We must ensure that the top number one product reaches the consumer at all times.

Unlike the Department of Agriculture, which looks after the foods which compete with fish, no marketing service exists in the Department of Fisheries. And I suggest there is no one in the Department of Trade and Commerce with a comprehensive knowledge of fish marketing and produce. Therefore I say this is a legitimate field for the reasearch board.

Before closing, I should like to urge upon the minister that a representative of the fishermen be appointed to the advisory committee of the board on the Pacific coast, to replace Mr. J. H. Deane who, because of ill health, had recently to resign from the advisory board. During the time he was serving on that board he definitely represented the interests of the fishermen.

Finally, I should like to commend all those who are connected with the board and who have made a definite contribution to the industry, and excellent attempts to overcome the almost insurmountable obstacles they have had to face, in spite of what I feel has been in the past a rather half-hearted government support.

Mr. R. H. WINTERS (Queens-Lunenburg): Mr. Speaker, at the outset I should like to compliment both hon. members who have preceded me, the hon. member for New Westminster (Mr. Reid) and the hon. member for Nanaimo (Mr. Pearkes), upon the high plane of their remarks, and the non-partisan way in which they have approached this problem. It augurs well for the industry, when we have so many difficulties, and so much in common, that problems like this can be approached on a non-political basis. To me it is always one of the highlights of any fishing debate to listen to the speech of the hon. member for New Westminster, who is the chairman of the standing committee on marine and fisheries. As usual I have enjoyed his speech a great deal, and have found it most constructive. Then, the hon. member for Nanaimo has placed his finger on many problems which are the same as those we encounter in the east, and in what he has said he has made a constructive contribution to the debate.

I believe the hon. member for New Westminster deplored the fact that there was no practical fisherman on the fisheries research board. When he said that, he may have been thinking more particularly of the west coast, because on the east coast, among others, we have Mr. O. F. Mackenzie from Halifax, who is one of the most aggressive and practical minded fishermen in the industry. His reports on fishing conditions as they affect the maritime provinces are a guiding light, and have been for years back. Therefore I feel the hon. member must have been referring to the west coast when he made that reference.

There is at the present time a great need to strengthen the fishing industry. It was the first to suffer from post-war conditions, and it is now in a difficult position. This bill, which is in fact one to amend the Fisheries Research Board Act is, in my opinion, a step in the right direction. It is an attempt to strengthen the board, and as such it is all to the good.

I would also say at this time that in my opinion, from the time he took office, the Minister of Fisheries (Mr. Bridges) has been doing good work in strengthening the fishing industry throughout the dominion.

Basically, as I see it, this bill can be divided into three important divisions. In the first place, it seeks to create the position of vice-chairman for the board. That is all to the good. In the second place, it seeks to establish an executive director of the board. Until now that work has been carried out by the secretary of the board, Major Sutherland, who, in addition to doing a good job and a full-time job in the Department of Fisheries, has been carrying on capably as secretary of the board.

But since the board was established in 1937, and even before that, since the time of the old biological research board, the nature of the industry has changed so greatly, and the problems have become so much more complex and the expenditures so much greater, that the board merits a full-time and capable man. For that reason I endorse this proposal completely.

Third, the bill seeks to give the board statutory rights to control certain of its expenditures, and to appoint and dismiss personnel as required. I believe this is a modernization which is required, in the light of modern developments.

Since its inception the board has grown into something really big, as a business undertaking. It now operates stations at Halifax; St. Andrews; Ellerslie, Prince Edward Island; Grand River; Winnipeg; Toronto (for the preparation and publication of information), and at Vancouver and Nanaimo. In the years from 1939 to 1946 expenditures increased from $240,000 to $636,000, and this year the estimates provide for approximately three-quarters of a million dollars. That is in the realm of big business, and this is an attempt to modernize and to improve the act so as to cope with conditions encountered today. That is all to the good.

As we in the east find it, and as I would gather from the remarks of the hon. member for Nanaimo it is found in the west, the fishing industry is now standing definitely at the cross-roads, and it may well be that the fisheries research board will be an important factor in determining which way it will go. During the war there were heavy demands for fish from foreign markets, with the result that the nature of this traditional fishing industry changed. It rose to great heights of efficiency and production.

Before the war the emphasis was on the production of salt fish, and the major markets were in the West Indies and the Mediterranean countries. During the war the heavy demands came from Great Britain and the United States, with the result that, although there

was still a substantial demand for salt fish, the main emphasis was placed on fresh frozen fish and fresh frozen fillets.

The fishing industry in the United Kingdom has now been substantially rehabilitated, as has the industry in France and other European countries, with the result that these markets are no longer available to us. Furthermore, under the impetus of demands arising from the war, the fishing industries in Newfoundland and Iceland developed to the point where they are serious competitors for the United States market.

The United States on its own behalf has expanded its fishing industry by putting into operation many more draggers in the last few months. That nation is therefore in a better position to supply its own needs than it was even a short time ago, although it is not likely that it will be able to meet demands for its own internal consumption, even now.

We hope that under new trade and tariff agreements the United States will still permit a generous quota of foreign fish to enter that country; but we do not lose sight of the fact that there will be keen competition to determine which nation will provide the bulk of the quota, and low costs will decide the ultimate winner.

In recent months there has been a decided indication that the price of fish might not hold. That is one of the most serious things we have to contend with at the present time. Recently the price of cod slipped off one cent and the industry is trying desperately to hold the price at the present level. There are indications that with the large inventories there are on hand, and with the possibility of overproduction at the present time, the industry may be under the greatest strain to hold the price at the present level. Therefore we are asking the government at this time to provide some measure of support in the event that the price slips off still more. It is fully realized that, even though some assistance from the government may be forthcoming, it can be only temporary in nature and that in the long run the industry must either stand on its own feet or fall.

There are two solutions to this problem. We must meet competition in order to obtain a fair share of the United States markets and we must take drastic steps to develop our own home market. Even in our own home market we shall be met with competition. We are fully aware that in such centres as Montreal, Toronto and other central Canadian cities those who are able to produce fish for the least cost will get the market. We feel that cost will be a factor even in connection with our own Canadian market.

In attempting to meet foreign competition we must remember that many countries which produce fish have a standard of living considerably lower than ours. Their fishermen are paid much less for their fish than are ours. Our standards are relatively high and it is quite understandable that every effort must be made to maintain them. But we must face realities. In order to meet competition, and meet it we must if the industry is to survive, there must be a reduction in our operating costs. That is not easy in view of the fact that there have been escalating increases in the cost of the instruments of production, as the hon. member for Nanaimo has so well said. We hope that production costs can be decreased without further lowering the price of fish to our fishermen. All other means of reducing costs must first be fully explored to the complete satisfaction of the fishermen. It is in this field that the fisheries research board may be able to play an important and determining part in finding ways and means of decreasing the cost of production.

The other solution to the problem of protecting our fishing industry is to develop our home market by increasing consumption. I should like to refer to the April bulletin of the Fisheries Council of Canada, as did the hon. member for Nanaimo, and quote the following:

> Arguments that the war years brought an unprecedented demand for food and that the knocking out of competitive fishing countries gave Canada artificial opportunities, weaken substantially in the face of statistics which show that the 1945 per capita consumption of fish was 8·4 pounds as gainst 139·7 pounds of meat. The ratio is absurd, yet if the per capita consumption of Canadian fish products were increased from only three to five pounds—

Presumably they mean by only three to five pounds.

> —it would overstrain the industry's productive capacity if pre-war export markets were maintained but the results would soon be quickly apparent and, assuming that prices were held at a reasonably profitable level, such increased demands for fish products would result in a continuing prosperity and steady employment for the industry.

I submit that the situation in Canada with respect to the consumption of fish is absurd when we consider the consumption of meat, eggs and poultry, if the figures quoted by the hon. member for Nanaimo are correct, and I have every reason to believe that they are except that his figures for the consumption of eggs seemed rather high; the low usage of fish is deplorable by comparison. The per capita consumption of fish in Canada is only

8·4 pounds, and an increased consumption of from three to five pounds per capita would support this industry if exports remained only at the pre-war level. I think that shows the solution to be right in our own Canadian hands.

It seems to me little to ask that every person in Canada should eat from three to five pounds more fish per year, particularly when it has such nutritive value, as the hon. member for New Westminster so ably pointed out. At this time I want to make the strongest plea I possibly can from the floor of this House of Commons that all housewives in Canada see to it that the members of their families are given an opportunity to consume at least three pounds more fish a year.

Mr. BENTLEY: Take the bones out.

Mr. WINTERS: That is with the bones out. An educational programme is required in connection with our domestic markets. The fisheries research board could play an important part in such a programme by assisting in advertising and familiarizing the people in inland Canada with the methods of preparing fish. The proper preparation of fish is all important. The hon. member for New Westminster has told us of the trouble he has had in obtaining edible fish, particularly in Montreal. I think the same holds true in any part of Canada west of the maritimes, and probably the British Columbia members will say that it holds true in any part of Canada east of the Rockies.

The industry is not attempting to place the blame on anyone. It realizes that it must take the lead itself by putting on the market a high quality product in good condition. The industry is fully aware that it should assume that part of the problem. I am sure that with proper methods of handling, inspection and transporting that phase of the problem will be solved in due course and good quality fish will be put on the market to attract the housewives of Canada and make it much easier for them to cooperate in increasing the consumption of fish. We feel that the fisheries research board could be a vital factor in that connection. I would ask the minister to give full consideration to the educational aspects of the problem, which are so important at this time.

I will close by saying that, as far as my constituents are concerned, we feel that this bill is a good one since it is a step toward the improvement of the industry, and I shall endorse it.

Mr. W. CHESTER S. McLURE (Queens): Mr. Speaker, I hesitate to say anything in this debate after having listened to the wonderful addresses we have had this afternoon. I had prepared a few things to say but most of them have been said by speakers who have preceded me. It is always a pleasure to me to listen to the hon. member for New Westminster (Mr. Reid) when he speaks about fish and the fishing industry. He seems to have made a thorough study of this matter both as it concerns the western coast and the country generally. The hon. member said that he had not been able to get the quality of fish he desired in the restaurant. If he had turned to the à la carte section of the menu he would have found one of the most delicous fish he would want, namely, Prince Edward Island scallops. I am sure he would have thoroughly enjoyed them.

The hon. member also referred to the fact that the per capita consumption of fish was something like eight and a half pounds per annum. If he had looked around the house, both while he was speaking and now, and seen the few who are interested in the fishery problems of Canada he would have said to himself: By another year if there is no more interest shown by the people of this country and in the house in the fishing industry I am afraid that the consumption of eight and a half pounds will shrink considerably.

The hon. member for Nanaimo (Mr. Pearkes) has given an address on the fishing industry which was as notable as that of the hon. member for New Westminster. These two gentlemen have presented the problem in such a way as to interest, I hope not only the Minister of Fisheries (Mr. Bridges), but the government and the people who will get the benefit of their addresses.

The hon. member for Shelburne-Queens—

An hon. MEMBER: Queens-Lunenburg.

Mr. McLURE: Yes. I was thinking more of Queens which had been, I was going to say stolen from our part of the country, but I am glad that the hon. member has annexed it to his constituency. His remarks today were of a high educational order. I was very glad to hear him say that in a debate on fisheries all parties in this house are in accord because of their interest in the fisheries in general. But I can hardly agree with his solution of the problem—to consume more fish, educate the people to eat more fish. He also said that there was no blame attached to anyone but the fishermen themselves. I do not believe he meant just that. While the fishermen may be somewhat to blame I place the greater part of the blame on the government, not the government of the present day but on all

governments over the past number of years. They have lacked the interest that should have been shown in our fisheries.

The fishing industry is one that many of us are closely associated with and greatly interested in, and I was glad to agree with those who have spoken so far in this debate in favour of the development of the fishing industry.

In rising to speak on the second reading of this bill to amend the Fisheries Research Board Act, I do so, not in a spirit of criticism of the amendments, but in an endeavour to point out to this house the neglect by governments of this great industry of fishing over a period of years. The culmination of the lack of interest, lack of research work, lack of biological work, lack of technological work and the great indifference of our own marine and fisheries committee and of governments has brought about the precarious position in which the fisheries industry finds itself today. This great industry is in the most unfortunate position of all our primary industries, and I should like to contrast for a moment this industry with our great basic industry of agriculture and what has been done for it.

Our basic industry of agriculture has been and is being studied by scientists of every description, by technologists in every branch of farming, by advertising experts, by marketing experts, by processing experts for both production and distribution. Agricultural schools and colleges are dotted across this country for the training of agricultural scientists and for the educating of practical farmers. Besides all these schools and colleges, we have many kinds of practical experimental farm stations all for the benefit of the wheat farmer, the fruit farmer, the cattle rancher, the potato farmer and many other types of men who produce wealth from the soil for the food of man and beast. I am not for one moment going to say that what has been done for agriculture is too great an effort. On the contrary, nothing is too great an effort for the greatest of our industries, the basic industry of agriculture.

Now let us look for a moment, by way of comparison, at our fishing industry. No country in the world is more favoured with all kinds of fish of equal quality and quantity than Canada; yet right across this great country from the Atlantic to the Pacific we have only some six or seven biological stations, and I stand to be corrected by the Minister of Fisheries if I am not correct.

Mr. BRIDGES: Not seven.

[Mr. McLure.]

Mr. McLURE: There are three or four supplemental stations, but there are few if any schools or colleges training experts or scientists in the fishing industry. We have no experimental fishing stations for the training of technologists, fishermen, processors and so forth. The neglect of this great industry can be seen at all times and in all places. The fact of the matter is that we are only tickling the industry. We have not as yet even scratched the great possibilities of this great industry of fishing. Let me here say that I do not desire the Minister of Fisheries to think I am placing any blame on him or his department; I am putting the blame on all governments of the past. They have not realized the possibilities of the great fishing industry. There is no salmon in the world like the British Columbia and the Gaspe salmon. There are no lobsters in the world like those on the east and Atlantic coasts. There are no oysters in the world like the great oysters known as the Malpeques from Prince Edward Island. I could mention dozens of the most delectable fish. I just mention these, and I should like to say further to the Minister of Fisheries that during his regime—

Mr. BROOKS: On a question of privilege, I should like to make a correction in the hon. member's statement. He said that there were no salmon like the British Columbia salmon. I should like to point out to him that it is considered there are no salmon in the world like the New Brunswick salmon, and especially Saint John salmon.

Mr. GIBSON (Comox-Alberni): He was referring to canned salmon. Let us be fair.

Mr. McLURE: I am sorry that I omitted to add the words "Saint John". I did say that there were no salmon in the world like the British Columbia and the Gaspé salmon. However I was dealing with the Department of Fisheries as presided over by the minister. No doubt today he finds himself handicapped by lack of good trained men, research men and so forth for the work that has to be accomplished. The fisheries department, its minister and staff are working out plans for the future of this industry, and the government must not cramp their style.

Hoping that I have paid the compliment that is due the department and the minister, I shall deal with a few other matters. The first step in this great industry is the procuring of the fish, the netting, the hooking, the trapping, the trawling or any other means of gathering the fish from the sea. The first step, namely, the mining of the sea for fish

is well taken care of by our hardy fishermen. These men who go down to the sea in boats are real men.

The second step in this industry is where we begin to falter, namely, in the cleaning, curing, salting, drying, freezing and processing of the catch. Here is where the fisherman needs, and needs it badly, the assistance of the science of the industrial arts, technology.

The next step is the distribution of one of the chief stable foods of mankind. Any article of food that requires a certain amount of processing must be made to conform to a standard quality.

On motion of Mr. McLure the debate was adjourned.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

SUPPLY

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

DEPARTMENT OF AGRICULTURE

Science service—

5. Administration, $35,404.

Mr. HERRIDGE: A year or so ago in the discussion I mentioned the problem of the little cherry disease in the Kootenay district and the Okanagan district. At that time the minister gave a short resume of what was to be done and said there was difficulty in obtaining sufficient staff for science service. Will he give the committee a complete outline of what the position is today?

Mr. GARDINER: Investigations are still continuing here from the central bases, but at the moment we have not sufficient staff to man any further research or experiments on the ground.

Item agreed to.

Science service—

7. Bacteriology and dairy research, $79,498.

Mr. BRYCE: Can the minister tell us anything about the research work being done with regard to milk in the Winnipeg district?

Mr. GARDINER: On this particular item?

Mr. BRYCE: If this is not the right item, I shall raise the matter at another time.

Mr. GARDINER: There is nothing being done in bacteriology at Winnipeg.

Item agreed to.

Science service—

Entomology—

10. Agricultural entomology, $857,519.

Mr. FRASER: What progress, if any, has been made in the last year in regard to the peach worm?

Mr. GARDINER: The departmental officers who are concerned with this matter think they have it fairly well under control through spraying and through the use of parasites in order to destroy the worm.

Mr. FRASER: Is there any check on the sale of the peaches which have worms in them? I have reference to shipping them out of the province.

Mr. KNOWLES: The peaches or the worms?

Mr. FRASER: That is, shipping peaches out of the province.

Mr. GARDINER: There is not any quarantine on it now. The only control we have is preventive.

Item agreed to.

Science service—

Entomology—

11. Forest entomology, $827,297.

Mr. CARDIFF: Is any attempt being made to conserve the young trees, and not allow them to be cut under a certain size? Timber men and mill men who buy tracts of timber in the country go into the bush and cut down every tree there. Trees under a certain size are not of any value to them. I would say that it does not pay them to do the cutting of trees under the six-inch size. Is any attempt being made to conserve them?

Mr. GARDINER: So far as our department is concerned, we have control of entomology only as related to the forests. The activities which are spoken of are really under provincial control.

Mr. FRASER: Has any progress been made with regard to pine rust? I notice this year that throughout the country a great many pine trees are dying or have died just within the last six or seven months.

Mr. GARDINER: No effective way of controlling pine rust has been found. Investigations and research work are being carried on with regard to it, but no system of handling it effectively has yet been developed.

Mr. FRASER: In the southern part of Ontario this year I noticed that many trees were dying, especially in my own district. I wondered if there was any chance of this disease being stopped.

Item agreed to.

Experimental farms service—
13. Administration, $97,448.

Mr. ROSS (Souris): I am not sure that this is the right item, but I think it would be. I should like to ask the minister about the later types of wheat. I have special reference to a type Durum wheat which I think is called "Stewart". Will the minister tell us what research has been done with respect to both durum and hard wheat? What are the latest types which the experimental people are now recommending?

Mr. GARDINER: If the committee is desirous of having full information with regard to that, and I imagine it is one of the most important items that we shall have in the estimates—

Mr. ROSS (Souris): Yes, it is. That is why I mentioned it.

Mr. GARDINER: —I think I had better have Doctor Archibald here. He is not here at the moment.

Mr. ROSS (Souris): I quite agree.

Mr. GARDINER: I would suggest that we allow items 13, 14 and 15 to stand, and go on from there. As soon as Doctor Archibald comes in, I shall get the full information. He will be here in a few minutes.

Items 13, 14 and 15 stand.

Production service—
16. Administration, $43,855.

Mr. ROSS (Souris): What has been done about the production of live stock? The minister should at least make a short statement at this time.

Mr. GARDINER: As hon. members know, there has been some reduction in live stock production pretty well all along the line. There has been, prior to this year, a considerable reduction in hog production. During this last year there has been a slight reduction in the production of cattle; that is, during the year we are now in. There has also been a dropping off in the production of milk. Milk production is down, but not greatly. It was over 17 billion pounds a year ago and it is 16 billion and and some odd pounds now. There has been a considerable reduction in cheese and butter production. The main difficulty in connection with all those products is that we are inclined to compare the present production with the production in 1943 and 1944. As I have stated before in the house, the condition existing at that time was an abnormal one. It was one under which at the beginning of the season of 1943-44 we had 600,000,000 bushels of wheat in our elevators, and when we had the whole of an average year's producton of feed grains on the farms or in elevators across the country, as compared with the situation in preceding years. Under those circumstances it was, of course, possible greatly to increase the production of all live stock products. As is generally known, hogs can be increased rapidly under conditions of that kind; and within the twelve-month period we were producing hogs at the peak of production. We continued that production pretty well through 1944; then in 1945 there was a dropping off; and there has been a dropping off until this spring when, as was stated in the house earlier this session, production increased in Ontario and Quebec. In fact there was an increase in all eastern Canada, taking the maritime provinces together with Ontario and Quebec. But there is still a decrease in production from month to month in the western provinces. In April it worked out about equal to April of the preceding year all across Canada, taking the entire production of the western provinces and the eastern provinces and comparing it with the entire production right across Canada in 1946. So the department feels that production is on the increase, and probably that increase will continue in eastern Canada if we have the feed grain.

Today I met a delegation representing producers of feed, feed dealers and dairy producers right across Canada. They expressed the view that the biggest problem confronting producers of live stock of all kinds is a shortage of feed grain and that this difficulty existed at the moment, entirely apart from what we might be able to produce in the crop that has just been seeded. There is a considerable shortage of feed grain with which to finish the live stock we now have. So, as was stated a year ago, our greatest problem in connection with production is that of getting feed grain. Unfortunately the area which has been producing about half the grain fed to their live stock and getting the other half from the western provinces—that is, the two central provinces—is having difficulty in getting in the seed this spring. It was stated to me today by these men, who are well informed on the question, that present prospects are that not more than forty-five per cent of the feed produced in Ontario and Quebec last year will be produced this year. If this turns out to be the case it will mean that if farmers are to finish the live stock for which they have already made preparations on their farms, at least fifty per cent more grain will have to be shipped from the prairies than was shipped last year. That is, merely to maintain pro-

duction at the level of last year we shall have to ship about fifty per cent more feed grain to the eastern provinces.

As far as the western situation is concerned, I believe western members and others know it is about three or four weeks too soon to begin to talk about what our crop is even likely to be. However I had in my office yesterday one of the chief authorities in the west in connection with grain production, and he told me the prospects for a crop this year are as good as they have ever been at this time of year, taking western Canada as a whole. So I think it is proper to say that the acreage of coarse grains seeded in western Canada this year is as great as anyone anticipated it would be; and if the season continues to be as good as it has been up to the present —apart from the fact that it is about two weeks late, which may be helpful or otherwise —we should have sufficient feed grain to supply the needs of eastern farmers as well as the needs of western producers if live stock production is kept at about the level of last year. We are hopeful that if we have a bumper crop we can take care of even more live stock than we took care of last year. So at present we are urging farmers not to anticipate shortages of feed grain for at least another month, until we have a look at the western crop and are able to advise better as to what that crop is likely to be.

Mr. WRIGHT: Would the minister say something in regard to the establishment of artificial insemination areas in Canada with respect to dairy animals or other live stock?

Mr. GARDINER: I wish the hon. member would wait and bring up that question when we reach the item concerning health of animals.

Mr. WRIGHT: Very well.

Mr. QUELCH: Could the minister give any information as to what is likely to be the market for horses in future? I am not referring to the canning factories, but I should like to know if there is likely to be any market in Europe.

Mr. GARDINER: As hon. members know, our chief market for horses outside Canada during the last two years was in France and Holland. In Holland it was anticipated that a considerable number of horses would be required in the years immediately following the war, and they entered into an agreement with the government under which they agreed to take five thousand. Unfortunately for us, but fortunately for the people of Holland conditions were not nearly as difficult as they thought they would be. I was in Holland in January, 1946, and visited the officials of the department who were concerned with the importation of horses. They suggested that, although Holland had taken only half the number they had contracted for, they preferred to drop the contract and not take any more, because they expected to be exporting horses within a year instead of importing them. So that market, which about a year and a half ago we regarded quite hopefully, will probaby not be taking any horses from this country.

At the same time we had a contract with the French government under which we were to deliver horses to that country. A year ago last fall we did deliver horses to France; then in the spring of 1946 the French government expressed the desire to deal directly with our private dealers, and sent buyers from France to deal with our people and arrange for a considerable shipment of horses to that country. When the French minister of agriculture was here during the winter months he told me that they desired to get just as many horses this year as they had obtained last year, and that they were sending buyers to look after the purchase of the horses in the same way as they had done a year previously. I am not in a position tonight to say when those buyers will be here or the extent to which they will purchase horses this year, but my understanding is that they are just as anxious to have them this year as they were last year, and that buyers will be here to purchase them.

Mr. McCULLOUGH (Assiniboia): I understand that the provincial government is undertaking to provide a certain amount of storage in order to build up a fodder bank. Is the federal government cooperating with the government of Saskatchewan in any way along that line?

Mr. GARDINER: For many years there has, of course, been talk in Saskatchewan of building up a fodder bank, and also of building up a bank of feed grain. So far as I know, most of the fodder, which has been stored up in Saskatchewan under any plan, up to date, has been stored in connection with the operations of the Prairie Farm Rehabilitation Act. We had considerable storage of feed at Valmarie in the south central part of Saskatchewan. Some of it was put up as far back as 1938. Some of the feed that was put up in 1938 I saw there a year ago. That feed was in the form of oat straw which had been baled and properly protected from the weather; and that oat straw, which had been there from 1938 until 1945, to all appearances looked to be about as good as when it was first baled and piled up. It is true that only

a very small part—I would say not more than twenty per cent at the outside—of what had been put up in 1938 was still there in 1945. I would expect that. in view of the nature of the season last year, probably all that storage was disposed of last year.

In addition to that, we had promoted the production of alfalfa both at Valmarie and at Eastend. The hope was that farmers there would take 40-acre or 80-acre plots under irrigation, grow fodder and store it for the purpose of maintaining live stock throughout any drought year which might come along. Unfortunately, when drought did strike them two years ago, we found that the intention which we had in mind in the beginning was not being carried out. Perhaps that was owing to the fact that we had not kept a close enough check on the matter ourselves. When I was driving down to inspect what was going on at Valmarie two years ago I met truckloads of alfalfa coming in to plants in Swift Current, at which point, or at other points to which it would be shipped from there, it was to be distributed to different parts of Canada in the form of alfalfa meal, which could be used for the feeding of live stock in different places.

Of course that was not our intention when, at a cost of $120,000, we put in a dam and made provision for irrigation and the seeding down of land to alfalfa in the centre of the drought area. Our intention was that that fodder would be retained in that district, at least until some intimation had been given that it was not going to be needed there.

This year we did enter into an arrangement with the government of Saskatchewan. I am not certain that the forms are completely signed up; nevertheless an agreement has been reached. Before stating what the arrangement is, I should point out that there is a development under which we drain Rush lake, and seed down part of it. That has been available for the purpose of providing feed. I was going to say that in connection with the Swift Current storage project, or the Swift Current irrigation project which, as hon. members from Saskatchewan will know, extends from west of Swift Current over to Rush lake and the district surrounding it, we have this year entered into an arrangement with the provincial government under which they have the first claim upon the feed that may be produced on this land for the purpose of providing forage for live stock. If they do not require it, then, of course, the federal government has the right to dispose of it in different ways, in order to make provision for securing the feed position. There is complete cooperation between the two governments in connection with that activity.

I may say that is a plan which has been worked out as a result of experience over the years and which, it is hoped, we shall be able to apply in any areas where irrigation is being carried on with the support of moneys provided by the federal government.

Mr. WRIGHT: The minister has stated that when they began the production of alfalfa it was the intention that it should be used in the area in which it was produced. He stated also, however, that a year ago he found that quantities of it were being shipped out. When that was the intention, did the government make any provision for purchasing and storing it? Otherwise it was only natural that the farmers who produced it would sell it. Until the dominion or the provinces made some provision for the purchase and storing of it, it seems to me it would continue to be shipped, because the people producing it will need the cash, and naturally they will sell it.

Mr. GARDINER: As I said earlier, I think some of the blame for what happened can be placed on the administration of the Prairie Farm Rehabilitation Act in connection with that project. But, as I said later, there has been developed a plan under which the provincial government has the right to purchase the feed and make use of it, first; and after they have exercised their right the federal government still has the right to make use of the feed in order to assist people in those areas.

Mr. McLURE: Under these items for production service I am wondering if I might ask whether the special freight rates on coarse grains from the west to the maritime provinces will be continued for the benefit of farmers in the production of live stock?

Mr. GARDINER: The question does not really come under this item, but rather under the special votes. However I do not know that there is any real objection to discussing it now. It does come under the heading of production. But the expenditure itself, in connection with the paying of freight rates and assistance to farmers through the payment of subsidies does not really come under this vote, and part of it is under trade and commerce.

Mr. McLURE: Is there any assurance that it will be continued?

Mr. GARDINER: We have already announced that the freight on feed grains will be paid until July 31, 1948. That was

announced as part of the feed grains policy earlier in the session; and, of course, it is the intention of the government to carry out that undertaking. At least until July 31, 1948, the government has undertaken to pay the freight on all grains moving east for feeding purposes from Fort William. The freight, on grain moving to Fort William is, of course, taken care of in the price paid to farmers in the west. The freight is paid by the federal government from Fort William, east.

From 1943 until March 17 last there was a subsidy of ten cents a bushel paid on oats to the western farmer who produced oats, and a subsidy of fifteen cents a bushel to the western farmer who produced barley. On March 17 not only did we announce the continuation of the payment of freight, but in order to encourage the production of more barley we announced that the price of barley would be based on a floor of ninety cents for No. 1 feed barley. The intention was to have that apply when it was first proposed from August 1, on, in order to encourage the production of more barley in 1947. But we realized that, unless something was done further than that, no barley would be delivered until August 1, 1947. The farmer would simply hold it for a higher price. Therefore we announced that the higher price would come into effect that evening at midnight, and that all barley was then worth, not 64¾ cents, as it had been prior to that date, but that it was worth ninety cents, basis number one feed at Fort William. And having said that with regard to barley which was not yet delivered, we at the same time said that we would make provision for paying at the same rate all the farmers who had delivered barley during 1946-47. Provision was made for taking over the barley then in elevators, and making that policy effective.

In order to carry out our undertaking with the eastern farmer, in view of the fact that we had said to him that the ceiling price for his barley would be 64¾ cents during 1946-47, which we were under obligation to carry out down to August 1, 1947, we undertook to maintain the price to the eastern farmer at 64¾ cents down to August 1, but not beyond that date. This necessitated our paying out by way of subsidy considerably more than the fifteen cents we had previously paid out. We thought that would amount to about twenty-five cents a bushel, but in the process of carrying out the policy it actually amounted to about twenty-eight cents, so that we were paying out thirteen cents more than we paid prior to March 17, and we now provide it as a drawback to the eastern producer rather than as a producer's subsidy. We are still paying that subsidy, but we are not under obligation to do so, in so far as any announced policy is concerned, beyond August 1 next. So to that extent there is a possibility that the cost of grain will be higher after August 1.

Mr. ROSS (Souris): With respect to the payments on barley delivered prior to March 17, that is the ten cents the minister spoke of, could he tell us how that is to be handled and when the producers may expect those payments? I have had several inquiries about this. Will it be paid direct by the elevator company to the producer?

Mr. GARDINER: That is being handled by the wheat board which is really not under my department, but my understanding is that the wheat board are making provision for the elevator companies to make payment to the farmers from whom they purchased the grain. They will have a record of the amount purchased, from whom purchased and the method by which the transaction was carried out. The government took delivery of all grain at the price at which it had been delivered to the elevator companies; the government took it over on a certain date on the basis of ninety cents for No. 1 feed or ninety-three cents for No. 2 C. W. barley. My understanding is that the arrangement between the wheat board and the elevator companies is that the elevator companies will pay that additional amount to the farmers. I am not in position to recite the details.

Mr. ROSS (Souris): It is just a matter of bookkeeping.

Mr. GARDINER: That is as I understand it.

Mr. BURTON: Has the minister given any consideration to removing the ceiling on the five-cent malting premium on barley?

Mr. GARDINER: Consideration was given to that at the time we announced the policy on March 17 and at that time it was thought wise to do it. However, on examining further into the question we found that there were many things in connection with which malting barley was used. When we were considering the matter first we had in mind the fact that it was used in making beer, but we found that it was used in connection with so many other things which were still under control that at that time it was not thought possible to take off the ceiling. It is anticipated that in due course it will be taken off. I could not state the date, and I do not know whether it would be wise for me to state it even if I knew it.

Mr. McCULLOUGH (Assiniboia): Last year I brought up the question of the prices received by our farmers for No. 2 C. W. barley and other high quality barleys which they had shipped to the terminal at Winnipeg. They found they were receiving less than was being paid for inferior quality barleys. The spread between high quality barley and the lower grade feed barleys is not sufficient and the result is that many farmers are not producing high quality barley. I would suggest to the minister that he remove the ceiling on malting barleys in order that the price may be higher for these better grades.

Item agreed to.

The DEPUTY CHAIRMAN: The hon. member for Northumberland, Ontario, would like to have the committee revert to item 7, bacteriology and dairy research, $79,498. Will the committee consent to reverting to that item?

Some hon. MEMBERS: Agreed.

Mr. DROPE: Would the minister explain the increase of $3,863?

Mr. GARDINER: The details are set out on page 83 of the main estimates. It will be noted that for 1946-47 there was voted $4,350 for an agricultural scientist, grade 6; there is an increase of $150 in that item. Then the next item, agricultural scientists, grade 5, shows an increase of one, or $3,810. The next item, agricultural scientists, grade 4, shows the same number, but there is an increase in the pay. The next item, agricultural scientists, grade 2, shows an increase in the number and the amount is increased from $5,580 to $8,700. The next item, assistant bacteriologists, is not shown for this year. Then there is a new position, clerk, grade 3, $1,809. Then there are two other positions which have disappeared, stenographer grade 2 and laboratory assistant, the reduction in each case being $1,380. Then there is a new position, assistant technician, at $1,380. On balance, there is the difference between $32,160 and $35,013.

Production service—
Health of animals—

17. Administration of Animal Contagious Diseases Act and Meat and Canned Foods Act, $2,372,599.

Mr. NICHOLSON: I notice in the minister's report there is a paragraph dealing with tuberculosis which reads:

> Assistance to stock owners in the control and eradiction of this disease is provided under the restricted area plan, accredited herd plan and the supervised herd plan. Progress under all plans has been restricted due to an acute shortage of veterinary inspectors.

Could the minister make some statement as to the situation with regard to veterinary surgeons in Canada? I understand that the number graduating from the veterinary colleges is not large enough to fill the vacancies which normally appear in the Department of Agriculture. I understand that in the Saskatchewan and Nova Scotia governments action is being taken to help cope with this problem. Would the minister indicate whether the federal department is considering ways and means of increasing the number of veterinary surgeons in the country?

Mr. GARDINER: We employ full time all the qualified personnel we can get. In addition to that, we have made provision for utilizing veterinarians all over Canada. Up until this year or some time last year we required these veterinarians, many of whom had taken their examinations thirty or forty years ago, to take another examination in order to qualify to do this work. Since all these men who are being considered have been and still are constantly in practice it was thought they might be employed under existing conditions without the special examination, and in that way we have many more men on now than we would have been able to get even on part time. The work is advancing much more rapidly than before. That is one of the chief reasons for the increase in this item.

Mr. NICHOLSON: The minister did not answer the first part of my question. I understand that in Saskatchewan and Nova Scotia the provincial governments are making grants with a view to assisting students in the veterinary colleges. In view of the minister's statement that a shortage of veterinarians is crippling the work of the department, has the federal government considered making grants to students with a view to encouraging them to attend a veterinary college? I find from page 172 of the report that the percentage of prospective slaughters for each province varies from 24·65 per cent in Ontario to a very small percentage in New Brunswick and Prince Edward Island. It is well recognized now that the inspection of animals has been a factor in reducing the deathrate in different parts of the country. Since a shortage of veterinary surgeons makes it impossible to have proper supervision, it would seem to be reasonable to include an item in the estimates for the purpose of increasing the number of veterinary surgeons who would be available in the near future.

Mr. BLAIR: On two previous occasions in this house I have pointed out the danger to human beings from becoming affected with undulant fever, on account of using milk from infected herds of cows suffering from contagious abortion, Bang's disease. This disease is common in all the provinces and affects human beings, and therefore undulant fever is common. As a physician it is only natural that I approach this question from the point of view of public health.

Undulant fever or Brucellosis is a disease which presents problems in control and diagnosis and treatment so far as human beings are concerned. To the dairy farmer, contagious abortion is an economic problem and seriously affects his livelihood. It might be of some interest to the committee to give a short outline of this disease.

In human beings undulant fever was first recognized during the Crimean war when the British army surgeons were unable to diagnose a strange fever which made its appearance among the troops. Undulant fever resembles several other diseases, and this made the diagnosis difficult in those days when it was rather hard to make a diagnosis without laboratory facilities; that is, they had no opportunity of making blood examinations. The British surgeons did not understand the disease because they had never seen it before. At the end of the year there were 8,000 sick men and only half the army was left fit to fight. Nothing further was discovered in the way of diagnosis until Doctor Bruce, a medical officer stationed on the island of Malta, discovered the bacterial cause of the disease. At that time it was called Malta fever. Doctor Bruce reported that the source of the disease was to be found in goat's milk. Goats are the main source of milk on the island of Malta. He discovered that by boiling the milk or pasteurizing it he was able to cut down the number of casualties to practically nil. Natives on the island of Malta who were still drinking the raw goat milk still continued to suffer, because half the goats on the island were infected.

The disease was introduced into the United States in 1905 through the importation of goats from Malta. A Danish research worker, Bernard Bang, discovered a microbe which causes contagious abortion in cattle, sometimes called Bang's disease. In 1918 a United States bacteriologist proved that Bang's disease of cattle and Malta fever, were caused from the same bacteria.

Undulant fever first appeared in Canada about 1929. It is now a fairly common disease, with a mortality of three per cent. Many cases, probably the majority, are not recognized, and are thought to be rheumatism, grippe, or influenza. Synovitis and arthritis, which we have been discussing on the estimates, are common symptoms, and it is necessary to make a diagnosis between undulant fever and infectious arthritis. Not all the cases are reported to the health authorities in Canada, but in one instance where 11,400 blood samples were examined, 600 samples showed the presence of undulant fever. Doctor Alice Evans, an authority on this disease, considers that about ten per cent of the rural population of the United States is affected. It is not a disease with a high mortality—I have already said it was three per cent—but it leaves a patient incapacitated from several weeks to two or three years, and it may leave permanent injury. Time may prove that it is one of the diseases responsible for rheumatic infections in human beings. Pasteurization is a preventive measure, but otherwise there is no cure for the disease. That is why I am concerned about the disease.

So far as cattle are concerned, Bang's disease has a high incidence in cattle throughout Canada. In 1945, among 2,713 herds tested, 905 showed a positive reaction to blood agglutination tests. This figure is taken from the report of the Department of Agriculture of Canada, 1945, at page 7. The loss to Canada's live stock can only be estimated. It has been stated that in Ontario, Bang's disease costs the farmers of this province alone over $20,000,000 annually. The United States department of agriculture has estimated a yearly loss of $80,000,000 for cattle, and $10,000,000 for hogs.

To prevent Bang's disease in cattle, a vaccine containing the living Brucella has been produced. This vaccine has proven highly effective for immunization purposes. It is necessary that it be handled and administered only by trained workers. Careless handling of the vaccine, and exposure to extremes of heat and cold, spoil its efficiency. The disease is highly contagious in herds, and many owners are living in fear that valuable herds, built up over a period of years, may acquire the disease. Even if every care is used to protect a herd, there is still the danger of infection being carried to a clean herd by dogs, horses, hogs, dealers' trucks, or human beings. The value of Cotton's strain No. 19 lies in the fact that it produces immunity in a high percentage of the animals, and does not permit the disease to spread to susceptible animals.

It would be economically impossible to wipe out undulant fever in human beings by destroying all the dairy cattle that have

become infected with Bang's disease. Such drastic action is not necessary, and the disease in cattle can be controlled by the vaccination of calves. While a definite programme is being carried out by the departments of agriculture in the various provinces, it is not as effective as it could be because the campaign is not unified; it varies greatly in each province.

Bang's disease is subject to federal control in cases where breeding animals are exported to the United States or imported from the United States. The law, as it stands at the present time, permits cattle to be moved from one province to another, thereby helping the spread of the disease. In view of the tremendous loss to live stock owners and the danger to human beings, a widespread campaign of calfhood vaccination should be instituted to control or to eliminate the disease. Up to date, this is the best weapon that we have to wipe out the disease for the benefit of live stock owners and for the benefit of human beings. No specific treatment has been discovered for undulant fever in human beings.

Mastitis is another problem which is causing severe losses to dairy herd owners in Canada. Last winter I attended a meeting of milk producers and found that this was one of their major problems; in fact they discussed it all afternoon. Not only is it a problem to the dairy farmers, but it is also a problem and a danger to human beings. Streptococcus infection can be acquired by people using the milk from herds infected with mastitis. Penicillin offers a cure to this disease in cattle, but it is not always possible for a farmer to obtain a veterinary surgeon or to use penicillin as a treatment for mastitis.

It has been known for some time that bovine tuberculosis in human beings is caused by milk from infected tubercular cows. Any person seeing the pitiable results, especially among children, of this disease will readily agree that every measure should be taken to control and eradicate tuberculosis in cattle.

I have mentioned the loss to dairy farmers from tuberculosis, Bang's disease and mastitis. If these diseases are not cleaned up in our live stock, we stand in danger of losing our export market for dairy cattle to the United States. I am informed by the director of the division of live stock disease control in the department of agriculture for the state of Massachusetts, that twenty-nine per cent of all the reactors in that state were Canadian cattle. The same situation exists in the state of New Jersey. The regulations were changed in September, 1946, to become effective November 1, 1946, regarding the importation of Canadian dairy cattle. I quote the order passed at that time.

The state board of agriculture at its meeting on August 28, 1946, ordered that on and after November 1, 1946, only purebred cattle which comply otherwise with the regulations for importation into New Jersey shall be eligible for entry from Canada; that such cattle must be tuberculin tested by a salaried veterinarian employed by the health of animals division of the dominion of Canada; that they must have originated in fully accredited tuberculosis-free herds or in herds of like standing in tuberculosis-free areas within the dominion and must be shipped direct from point of origin in Canada to New Jersey, and shall be accompanied by health charts carrying the endorsement of the veterinarian in charge or his designated agent of the health of animals division of the Dominion of Canada.

In explanation of this order, I quote from a letter from the chief of the bureau of animal industry of the state of New Jersey:

In explanation for the reason taken by the state board of agriculture of New Jersey, you should be apparent of the fact that for a number of years we have been closely watching animals of Canadian origin which were consigned to New Jersey and became a part of the herds of this state. During the war years, our importations from the dominion increased remarkably from an average of 500 to around 3,000 annually. We have had animals certified for this state originating in Canada which within two weeks of the time of entry were disposed of for slaughter because of mastitis or other reasons which proved on autopsy to be generalized cases of tuberculosis.

We have had the experience with a great number of Canadian inshipped cattle that they would pass one test after arrival in this state and react to subsequent injections and be found infected with tuberculosis. Investigation brought to light the fact that the programme for tuberculin testing recommended by the committee on tuberculosis of the United States live stock sanitary association in 1940 and adopted by the United States bureau of animal industry differed somewhat from the procedure employed in the Dominion of Canada, with particular reference to the method of handling herds in which reactors occurred.

We have seen in our northern counties, where most of the Canadian animals enter herds in New Jersey, a steady increase in the number of tuberculosis infected herds, many of which were accountable for through the fact that infected animals of Canadian origin had been added to the herds. This increase became of sufficient importance to, in our opinion, warrant the regulation under date of September 12, to become effective November 1, which is included herewith.

Information that we received from various sources indicated that animals originating in herds that had never been subjected to a tuberculin test in Canada were being added to herds that had a tuberculin test history tagged with tags recovered from unwanted animals originating in tested herds but consigned to slaughter and certified as modified members of a tested herd for inter-country movement.

It was for this reason that the state board of agriculture was advised to limit the importation of animals from Canada to only purebred cattle maintained in tuberculosis accredited herds or in herds of comparable standing in tuberculosis free listed areas. In this manner, we believe that it would be very difficult for the shippers or dealers to falsify the herd of origin and as a consequence we would be assured of obtaining in fact animals that were free from tuberculosis.

It is reported that new United States import regulations are expected to go into effect on June 1 in this regard, and I quote from an article in the Toronto *Telegram* of May 13:

New U.S. Cattle Import Barriers Viewed as Blow to Ontario Herds

All But Accredited Cattle Barred in Some States

Adoption of Rule by New England Group Will Hit Bay of Quinte Area

Belleville, May 13—New United States cattle import regulations, expected to go into effect June 1, which will bar the importation of cattle except from accredited herds or from fully accredited areas, will mean a considerable loss of revenue for cattlemen in the bay of Quinte district, according to veterinary officials here. States in the United States adopting the new regulations include the New England states, where a very large percentage of export cattle from the bay of Quinte area are sold as milkers. Formerly cattle from non-accredited areas could be imported into New England providing they successfully passed two separate tests given at sixty day intervals.

Referring to the new regulations affecting cattle imported into United States, Dr. H. M. Younghusband, district veterinary inspector at Belleville stated that cattle from accredited herds or from fully accredited areas would still be eligible for export.

The regulations would affect Prince Edward cattle as well as those in Hastings, because although the first named county is an accredited area the county has not been completely retested as is required by the department. Four men are at present working in the county, but it is not expected the test will be completed until fall.

According to Dr. Younghusband there are but aproximately 275 fully accredited herds in the three counties of Prince Edward, Hastings and Northumberland.

The new American import regulations when they go into effect will certainly mean a considerable loss of revenue to farmers in the bay of Quinte district.

At a time when production of dairy products and live stock products are of marked importance to the farmers of this country, and to the nation, I maintain that every effort should be made to control these diseases which are working havoc and causing such tremendous losses in production and finances.

It may be argued that the shortage of trained veterinary staff makes the control of tuberculosis and Bang's disease in cattle difficult. I suggest that students in agricultural and veterinary colleges could be trained to carry out protective measures during the summer as assistants to veterinarians.

During the consideration of the agriculture estimates on May 9, 1946, on page 1351 of *Hansard*, the hon. member for Stanstead made inquiry of the Minister of Agriculture regarding the exportation of Canadian dairy cows to the United States. In reply the minister stated:

This increase in the exports of dairy cattle is just as important to the farmer who is milking cows as is the sale of milk itself. The farmer is raising dairy cattle not only to produce milk but to raise breeding stock that he can sell, and if the farmers had four million of dairy stock on their farms in 1945 as against 3,623,000 in 1941, and sold 47,000 head of dairy cattle in 1945 as against 13,719 in 1941, then I think it is only fair to say that they took in at least three times as much; and when you add the increase in price for cows over that period of time, they took in a greater increased amount from the sale of dairy cows as compared with the years from 1941 back. In addition to that, they have been taking in, as I have indicated by the figures with regard to milk, more every year, first because of increased production, and second because of increases in price as compared with 1941 and 1945 from the milking of cows. In the light of those two facts I do not think anyone will contend that the dairy farmer is worse off as a result of anything that happened during those years.

The minister definitely admits the importance to Canadian farmers of our export market for dairy cows. His department admits their failure to get veterinarians to give proper service and tests to farmers. The farmers are suffering, and the government has not been able to carry out its programme. It is time for action.

In view of the tremendous financial loss to dairy farmers through the ravages of disease and the impending loss of an export market for dairy cows, definite protective measures should be taken. From the point of view of the national health of our people, an opportunity is presented to eliminate a disease which, although the mortality from it is only three per cent, causes prolonged illness and suffering.

I make no apology for again bringing this matter before the committee. As long as I am a member of this parliament I intend to continue the fight to force the government to take action to clean up these diseases, both for the health of our citizens and for the benefit of the live stock owners.

Mr. CARDIFF: I do not intend to elaborate further on the explanation given by the hon. member for Lanark with regard to these tested areas. I just want to ask the minister what the government intends to do now that the war is over? Before the war, I understand

that the government gave considerable consideration to the problem of tested areas. At that time, if a county desired to be in a tested area, it was required to make application to the government. I come from one of those counties which made application, and I should like to ask the minister now what the government's programme is for this year and what their intentions are with regard to carrying it out.

Mr. GARDINER: With regard to which county?

Mr. CARDIFF: The county of Huron.

Mr. GARDINER: My understanding is that no testing has started yet in Huron. That county has made application for it. As I stated a few minutes ago, we still have a shortage of veterinarians through whom we can undertake this work as rapidly as we should like to see it going forward. I am not able to state at the moment the actual date at which we shall get started in Huron. It will be started just as soon as we can get around to it with the staff we have and any staff we can add to it.

Mr. CARDIFF: Did I understand the minister to say that he did have an application from the county of Huron?

Mr. GARDINER: Yes. Application was first made by Huron in 1939.

Mr. CARDIFF: That is right.

Mr. GARDINER: Just prior to the war.

Mr. CARDIFF: Yes.

Mr. GARDINER: And it has been held up from that time to this.

I think I should say something with regard to the remarks which have just been made. I believe this is the third time the hon. member for Lanark has brought this question before the committee, and I agree with him that it is one which he is quite justified in bringing before the committee and discussing on each occasion that these estimates are up. The desire of the department is to complete the tests of all the counties just as soon as possible. In the early days of the efforts to test cattle and have cattle destroyed because of their having tuberculosis, we met with considerable opposition in certain areas, but I think that opposition has now pretty well disappeared. When the war started we were getting along fairly rapidly with the bringing of new counties into the certified areas. But, as was suggested, there has been some difficulty in relation to the shipping of breeding stock into the United States. The position now taken in the United States is this. From any district which has been tested and accredited within the last twelve months, the cattle may move readily into the United States. But where that test has not been made within that time, there must be a re-test before the cattle can move readily into the United States. In other words, any cattle going from an area which has not been tested within the last twelve months will have to be tested; and that test causes delay in the shipping of breeding stock from Canada to the United States. Our desire is to overcome that difficulty just as soon as possible.

The other matter of Bang's disease is just as serious as the hon. member has outlined it to be. As soon as we can get sufficient help to undertake the task, and at the same time get into a position where we are a little farther away from the war and have more money for this kind of work, I hope we shall be able to do more. When I say that, I realize that I am talking about something which probably should be taken care of in spite of the fact that we are spending considerable sums of money; but as soon as we can get around to having staffs with which to deal with it, I hope that we can deal more effectively with Bang's disease than we have been able to up to the present.

Mr. WINTERS: It is not generally considered that there are many agricultural problems in Nova Scotia, but there is a real one in connection with tuberculosis tests. Tests in my own constituency have not been applied for many years, and farmers find themselves under a decided handicap. The minister and I have had quite an exchange of correspondence and I must say that I found him most helpful and cooperative. I know he has done everything he can under the circumstances, and there is an outstanding shortage of veterinarians. I know the farmers of Queens-Lunenburg are anxious to have the minister make some statement indicating whether there has been any change in the availability of veterinarians and when the tests are likely to be applied in Queens and Lunenburg counties in Nova Scotia.

Mr. GARDINER: I understand that this year, in addition to the staff we now have, we are getting an increase of between twenty and thirty veterinarians who can be utilized full time across Canada to take care of this problem. I am sorry to say I am not in a position to indicate just how many of these will be utilized in Nova Scotia.

Mr. REID: Will they be distributed over all the provinces?

Mr. GARDINER: Yes.

Mr. JOHNSTON: What salaries will they be paid?

Mr. GARDINER: Normally these men are engaged in the different provinces where they are now found, but that is not necessarily the case. We may move them from one place to another, depending upon the necessity for undertaking work at various points. It will be understood that special cases develop where tests must be made within twelve months if the cattle are to be exported. Certain areas where exports are very high, where purebred stock is being raised and exported in considerable numbers, no doubt will be taken care of just as soon as we can get to them, and perhaps other areas may have to wait a little longer in order to have their cattle inspected. If we make allowance for that, however, most of these inspectors will be utilized in the provinces and near the areas where they are engaged.

Mr. WINTERS: Could the minister say whether any of this new crop of veterinarians will be assigned to Nova Scotia?

Mr. GARDINER: I am sorry I cannot give that information. The competition closed quite recently, and the only information I have is that between twenty and thirty qualified. I have no information as to where they are located. I can get that information and send it to the hon. member in writing.

Mr. WINTERS: Thank you; I should like to have it. I feel sure the minister will do everything possible to see that these tests are carried out in Nova Scotia at the earliest possible day.

Mr. ROBINSON (Bruce): Following along the line of the remarks made by the hon. member for Huron North, I should like to read a resolution passed by the Bruce county council in January:

> I beg to advise you that at the session of Bruce county council held last week the following recommendation of the agricultural committee was unanimously approved in open council:
> "We recommend that testing according to the restricted area plan be commenced in Bruce county at an early date. It is eight years since the canvass was completed. Bruce is in a comparatively isolated position and has only a comparatively small boundary adjacent to tested areas."

Could the minister say whether, since we were almost first in line when testing was discontinued, we shall still be among the first when testing is resumed.

Mr. GARDINER: Yes. Bruce county made application at about the same time as Huron county. Both counties made application in 1939, and the position they held at that time will be maintained. Whatever order they were in then will still be the order when testing is resumed, and they will be taken in that order. Even if the application dates back to before the war, they will still remain in that order.

Mr. CARDIFF: It will not be necessary to make further application?

Mr. GARDINER: No, it will not.

Mr. McCULLOUGH (Assiniboia): Following the question asked by the hon. member for Mackenzie, I happen to be a member of the Canadian livestock breeders' association, and our accredited supervised herds are not inspected by competent veterinarians for long periods, sometimes ranging from one to two or three years. The hon. member for Mackenzie asked if the federal government was assisting to bring about conditions which would give us more qualified veterinarians. I understand that the province of Saskatchewan is giving $1,000 to municipalities which have their own veterinarian serving a certain district. The hon. member for Lanark made a remarkable speech here this evening, and I think he can count on the support of all hon. members. I believe the situation is so serious that something should be done about it at once, so I would suggest to the minister and the government that grants be made to municipalities or other areas setting up and maintaining properly qualified veterinarians adequately to inspect our herds.

Mr. GARDINER: I neglected to answer the hon. member for Mackenzie on this point, and I think I had better do so in order to have it dealt with. The position is that the federal government itself employs all the veterinarians who undertake this work. We have many veterinarians employed full time, and we also have others who are employed to do this work and who at the same time carry on their own practice. So, as is indicated in these estimates, a considerable amount of money is spent for the purpose of utilizing the services of veterinarians after they leave college. As to making provision for them while they are at college, no definite grants are made to the veterinary colleges, of which there are only two in Canada, one at Guelph and one at Oka. There has been some discussion about the possibility of establishing one at the university of Saskatchewan, but I do not think anything has actually been done in that regard, though I am not fully acquainted with what has taken place there. While we have not made grants to these students, over a long period of years—and I think this is true irrespective of what govern-

ment has been in power—we have made it a point to engage young men who go to veterinary colleges in various of the government services throughout Canada during the summer months. We are constantly receiving applications for employment from these young students, and we try to assist them through college by giving those who wish to work for us employment during the summer months. However, no direct grant is made to assist students to go to these colleges.

Mr. CHARLTON: Once more I take the opportunity to bring before this committee the gross injustice, not only to the veterinarians employed in the health of animals branch, but also to the farmers and all the people of Canada, caused by this government's programme in relation to bovine tuberculosis and Bang's disease. I wish to endorse heartily all that has been said by the hon. member for Lanark; I feel that this matter is of such vital importance that these things should be repeated over and over again until the government does something in regard to the matter. It is my opinion that the salaries paid the veterinarians are by far the greatest single factor in bringing about these difficulties. I have in my hand three lists recently circulated by the civil service commission. The first, No. 1263, lists veterinary inspectors, male, grade 1, $2,580; grade 2, $2,700 to $3,300. I will admit at once that these salaries represent a considerable increase over 1938 and 1939; but now I take the next list, No. 1282, which is for dental surgeons, grade 2, $4,500 to $5,100. I think we must admit that there is very little if any difference between the university course a man must take to become a veterinary surgeon and that which a dental surgeon has to take. Then I have a list No. 1265, for a medical officer, grade 9, epidemiology; $6,000 to $6,600. Need I go farther to indicate the answer as to why there are not enough veterinarians in the health of animals branch? I think not, with almost $2,000 of a difference in the starting salaries between a grade 2 veterinarian and a grade 2 dental surgeon. They both take four years to complete their course. I do not say this in disrespect of dental surgeons or members of the medical profession, but I must say that, in so far as the veterinary profession is concerned, it is a good deal harder course. I say that because the patient who comes to the medical doctor can tell the doctor where his pain is, and can almost diagnose it himself, after he is asked a few questions.

Mr. GAUTHIER (Portneuf): It is not so easy.

Mr. CHARLTON: But the veterinary surgeon must diagnose completely with comparatively few indications from the animal as to what is wrong with it. As I said before, is it any wonder that there are not enough veterinarians in the health of animals service?

Just a few moments ago the minister said that there were twenty or thirty more veterinarians coming into the service this year. I hope he is right. But I should like to ask him where they are coming from. The lack of help bogey has been held out for a considerable number of years, at least for the last three or four.

Before I complete my few remarks, I shall offer a few suggestions, the carrying out of which will not require any added help, but which, I believe, will give a better service and go a considerable distance toward controlling the two diseases of which I have spoken. I had not heard of any such number as twenty or thirty new veterinarians. As a matter of fact the last word I had was that there would probably be two or three coming from the Ontario veterinary college at Guelph, the largest school of its kind in the dominion.

Why are they not coming into the service? Because they can get practically double the salary by going to the United States. That is where most of them are going. I believe most hon. members will agree with me when I say that the veterinary inspectors of the health of animals branch can do more toward lessening the incidence of tuberculosis in this country than can the medical profession, owing to the fact that they are working at the base of the trouble, or where a good deal of the disease—not all of it—originates. I refer to their work in connection with the disposal of tubercular infected cattle and hogs.

Of course improved methods of sanitation and treatment have helped considerably. With regard to Bang's disease, or Brucellosis, I wish, first of all, to congratulate the Ontario department of agriculture upon the programme it is carrying on in connection with the vaccination of young cattle and adults in the control of Bang's disease, through the Ontario veterinary college at Guelph.

In that connection I should like to quote a few excerpts from this pamphlet, which I received recently. Various things have been said throughout the country with regard to calfhood vaccination which, I believe, should be made clear. Of course there is still a variation of opinion on the point. I believe the department in Ottawa is on one side, some veterinarians on the other. However I shall just read what Dr. MacNabb of the Ontario veterinary college at Guelph has to say. This is what he says about calfhood vaccination:

1. Build up a herd resistant to Bang's infection through calfhood vaccination.

2. Vaccinate heifer calves at six to ten months of age. A veterinarian can procure the vaccine on application to the Ontario veterinary college.

3. It is neither necessary nor of value to blood test the vaccinated calf thirty days following the calfhood vaccination procedure with strain 19 B. abortus.

4. Note that without the practice of rigid sanitation, no control measure can be a success. It is inconceivable for any biological product—a vaccine or serum—to give the desired results in the absence of proper sanitary precautions.

5. The vaccine used for calfhood vaccination purposes is a living suspension of strain number 19 B. abortus. Must be maintained at refrigeration temperature until used.

6. Develops animal's resistance during early pregnancies.

7. The only safe and effective method of establishing immunity in replacements for clean herds, so they will have a degree of resistance against exposure to the disease.

8. A means of establishing a relative resistance of the cattle population when used as calfhood vaccination programme on an area basis.

9. Calfhood vaccination will protect about 80 per cent of the animals for from three to five years. It will prevent the act of abortion in about 95 to 97 per cent of the vaccination animals.

10. There is no evidence accumulated to date which would indicate the transmission of strain 19 B. abortus. Hence calfhood vaccination has been practised in blood negative Ontario governmental herds for the past seven years.

11. No direct evidence has been shown that calfhood vaccination with strain 19 B. abortus induces sterility amongst the young vaccinates.

12. Calfhood vaccination is best performed on young calves, dairy breeds at the age of six to nine months; beef breeds six to seven months.

13. When abortion infection breaks in a herd, vaccination with strain 19 B. abortus at any age up to eighteen months is advisable. It should be borne in mind the older the calf or heifer when vaccinated the more pronounced will be the resistance. The blood will remain positive for varying periods of time in different individuals. Hence an animal vaccinated at twelve or fifteen months of age may be blood positive till it reaches thirty months of age.

14. Calfhood vaccination on a community basis is a recommended procedure.

Then, I shall read what Doctor MacNabb has to say about adult vaccination. I brought this question up on two other occasions in the house. Of course the health of animals branch does not agree with me, but I hope it will before many more years. With respect to adult vaccination he says this:

Not yet endorsed as a general routine control measure, adult vaccination has, nevertheless, been practised; unfortunately, at times without merit. Adult vaccination is justified under certain conditions. The problem of control of contagious abortion is an individual herd problem. Adult vaccination is especially justified in herds where the abortion rate is high—as in the case of herds previously negative and suddenly exposed to infection. It is also justified in herds where the infection is widespread and the act of abortion has become chronic, resulting in an annual herd abortion rate of more than five per cent.

Mr. CRUICKSHANK: What is the hon. member quoting from?

Mr. CHARLTON: A pamphlet issued by the Ontario veterinary college at Guelph, under the direction of Doctor A. L. MacNabb.

Mr. GRAYDON: From Cruickshank on Bang's Disease?

Mr. CRUICKSHANK: Cruickshank does not read his speeches like you fellows do.

Mr. CHARLTON: Then Doctor MacNabb states:

Adult vaccination is a possible means of salvaging a herd where the owner cannot bear the economic burden of a test and slaughter method. By vaccinating adult animals and vaccinating all heifer calves at ages from six to nine months in the case of dairy herds, and five to seven months in the case of beef herds, a resistant young herd will replace the adult herd in a reasonable time.

In herds where contagious abortion infection is actively spreading, the adult vaccination of blood negative, non-pregnant females reduces the severity of the infection. Adult negative females when vaccinated respond just as readily as do calves.

Adult vaccination is not a cure for abortion, but is a tool which when appropriately used will reduce the number of abortions, and thus aid the owner in the establishment of a young herd.

What is the policy of the dominion government re Bang's disease? For instance, after one negative test you can apply for the listing of your herd. Then there must be another negative test in ninety days and a third negative test within one year from the first test. I have nothing against negative herds, as I have said before, but in my opinion they are one of the most dangerous types of herd a man could have. They are susceptible to every infection carried in by birds, dogs, horses and drovers; they have absolutely no immunity, either natural or acquired.

On top of that, they are allowed to vaccinate the heifer calves but if, at the end of twenty-four months—the minister will correct me if I am wrong, but I think recently this was increased to thirty months; I do not know whether it has been made public but I believe it has—if at the end of twenty-four months or thirty months, as the case may be, that heifer is still positive in her blood test she is tattooed with a "B" in her ear. The fact that a heifer reacts to the blood test only shows the presence of anti-bodies in the blood stream. Those anti-bodies are in the blood stream only when the animal has the disease.

There is no evidence at all to show whether the disease was acquired by infection or through vaccination.

How do they arrive at this twenty-four or thirty months' period? Who is to say that when these anti-bodies persist beyond twenty-four or thirty months that the animal is again a menace to the herd? If the twenty-four months' period was thought to be right, what caused the change to thirty months? Why not thirty-six months? Under the Ontario department of agriculture plan they are allowed in one class of herd until they are thirty-six months of age. Then again if the heifer remains positive for twenty-four months, she may be negative the next week. If the heifer has been tattooed you can sell her only to a herd which is positive. No matter how big a price you have been offered, you cannot export to the United States because she has been tattooed. Yet a week after the heifer's blood reacted positive she may go negative.

Then again an animal which is negative but which has not been vaccinated may be positive the next week and may abort the following week.

The suggestions which I am going to make would not necessitate an increase in the number of veterinarians because I believe the suggestions could be carried out with the present help. First, I suggest that the veterinarians now in the service should be advised to consult with the owners of all listed herds in the country and explain to them thoroughly what vaccination means and the advantages of vaccinating calves. It should be explained also that vaccination is not a cure-all, that they may have to revaccinate after three or four years.

Some heifers which were vaccinated in 1937 or 1938 are now aborting, and this is destroying the confidence which a lot of men had in vaccination, although that is the natural thing to expect. These men should be advised that that is the natural thing to expect. Therefore I suggest that the veterinarians be instructed to advise the owners of listed herds to vaccinate all their calves, both heifers and bulls. I believe that adult vaccination should be allowed in the case of severe outbreaks in a listed or all-negative herd or where, as is mentioned in this pamphlet, the incidence of abortion is greater than five per cent.

There is one other thing I wish to mention. Because of this tattooing of the ear of a positive reacting heifer after twenty-four months, many farmers with listed herds—I do not blame them one particle—are having private blood tests made before the government inspector comes. They can then get rid of doubtful animals and retain their listing. Where do those animals go? I am not saying they do, but it is possible that they can go into negative herds and spread the disease to other animals which are susceptible. I should like to see these private blood tests of listed herds prohibited.

I should also like to see the tattooing of the letter "B" in the ears of vaccinated heifers discontinued. You have no proof that just because a heifer persists to be blood positive beyond twenty-four or thirty months she is a menace to the herd. I should also like to see the department permit the revaccination of animals which have already been vaccinated. We are not sure just what the desired age would be, but it would be between three to five years. I have here an article written by Mr. Conklin, who, I believe, is editor of the *Ayrshire Digest*. It is taken from the *Ayrshire Digest* and was reprinted in the *Holstein-Friesian Journal*. In order to corroborate some of the things I have said, I should like to read some excerpts from this. The first, dealing with the United States reads:

> Shocking as it may be, the score to date in the game of Bang's control shows that over three million cattle have been condemned as reactors, in order to have the present accredited population of only 827,809, a considerable number of which have also been vaccinated.

Three million cattle were slaughtered from what they call accredited herds, because of Bang's disease, to get a total of 827,000 negative cattle. The article goes on:

> The condemnation of vaccinated cattle that react is inexcusable and wasteful, particularly in a world that is hungry for dairy products—(unless they are animals of low producing or breeding value and in the midst of a storm of abortion).

Here is a short paragraph from the same article on the absurdity of the "24-months-old" rule:

> Consider the absurdity of the Bang's regulations under which the cattle industry is operating. The vaccinated heifer that reacts any time before she is 24 months of age is legally safe; and may be a favoured member of an accredited herd; whereas her sister that reacts after she is past 24 months of age is legally a danger to the herd and must die in order to save the accreditation certificate.

Here is an editorial note in the *Holstein-Friesian Journal* for October, 1946, in connection with the article from which I have just quoted:

> While this article by Mr. Conklin, who is secretary of the American Ayrshire Breeders' Association, deals primarily with United States

conditions, what he says regarding outmoded Bang's disease control regulations is equally applicable to Canada. Excellent leadership in control by vaccination is being given by provincial authorities but the federal test and slaughter programme for "listed herds" still fails to recognize vaccination and meet present day conditions. Many good vaccinated breeding animals are being forever condemned with a "B" in their ears because they fail to show a negative blood test at 24 months of age. Herd after herd is giving up federal supervision because of this.

I do not apologize, Mr. Chairman, for taking up the time of the committee, because I think this is an important matter and I hope the government will take some steps to remedy the situation.

Mr. JUTRAS: I should like to make one brief suggestion to the minister. This shortage of veterinarians is an acute one in my province, and particularly in my district where we have several T.B. tested areas. One has had an application in for quite a few years. My suggestion to the minister is that the regulations of the department might be waived, in view of the acute shortage of veterinarians, to allow the old practising veterinarians to do the work for the department. In my district, a few months ago there were two practitioners in the area who were willing to do the work of testing for the department, but apparently the department did not feel that it could employ any veterinarians unless they had written the examination of the department. These men have been in practice and successful practice for many years and do not like to have to sit down at a desk and write a long technical examination, and they refused to do it. For that reason we have not been able to use their services. I recommend to the minister that, in view of these circumstances and the fact that there are no other men available at the present time—and it may be some years yet before we have qualified veterinarians in sufficient numbers—the regulations be waived, so that the services of these men may be obtained without being required to sit down and write the long technical examination of the department. If we could use the services of these men I think we could carry on the work at least in all the southeastern part of the province.

Mr. GARDINER: As a result of representations made by members on both sides of the house, including the hon. member for Provencher, the necessity for an examination of the kind spoken of has been done away with within the last year. These veterinarians are not now required to write an examination to determine whether they are competent to do the work. It is assumed that if they have been in general practice for more than one year they are competent to do the work.

To answer the question which was raised a few moments ago with regard to pay, it is true that two years ago the pay was very low. I think the maximum which most of those in the service were able to get was about $2,520. There was the possibility of the senior veterinarians going up to $2,800 odd. But now they can go up to $3,900, and within a very short time they get up to over $3,000. The result of this increase was reflected in the figures I gave a few moments ago. About twenty or thirty of our veterinarians are old practising veterinarians; quite a few of whom were in the service of the department before but left the service to enter general practice. But now under the new rates they have applied to get back into the service again, which does indicate that a considerable number of them think that being in the service with the present rate of pay has some advantages over being out in general practice. They are not required to write an examination of the kind mentioned a moment ago by the hon. member for Provencher. They indicate what their experience has been and are classified by the civil service commission as being competent to do the jobs that are available in the department. Not all of them are going to do the kind of work we have discussed tonight, namely, field work in connection with these diseases. Many of them will be employed in packing plants and elsewhere, performing services which the department requires of veterinarians.

Mr. GRAYDON: May I raise again at this sitting of the committee a question which I raised last session and which attracted considerable attention by the department and the minister at that time. It is a problem which arose in connection with a T.B. test made in the spring of 1946 which resulted in the slaughtering of the animals at the abattoir on May 15, 1946. It was a herd of Holstein cattle owned by a farmer named Donald McIntyre, on rural route Stayner, Ontario. He had a fully accredited herd of Holstein cattle and was engaged in the dairy business there in a very successful way. He had had for some ten years regular T.B. tests made of his herd, and during all that time none of his cattle had gone down in the tests or had reacted positively. But in the spring of 1946 no less than forty-four out of forty-four cattle in the herd reacted unfavourably to the T.B. test, and all went down. All his herd had to be taken to the abattoir in Toronto and were slaughtered there. During the testing of the

carcass meat in the abattoir only one animal showed any signs of tuberculosis at all, and the certificate of condemnation which I hold in my hand for that one single animal said that the animal was not affected by T.B., but with pneumonia. I raised this question last year and the minister was good enough to go into the matter as fully as he could at that time. This is a problem and an issue which is given a good deal of notoriety in the district. It is one which is agitating many farmers in other sections of the province as well and is what is believed by the farmers in that section and others. Whether it is right or wrong I am not able to say. The minister ought to clarify it. The feeling among the farmers is that a new form of vaccine was used on this occasion, a new form and a new formula for the testing of T.B. in cattle. That would seem to be a reasonable assumption and is supported, I understand, by evidence that a new type of vaccine was actually used on that occasion. It would seem to me that we ought to have some information other than what was given the committee last session.

I should like to put these questions to the minister. First, what type of vaccine was used in this case? Second, has that type of vaccine been continued to be used by the department in view of the fact that this and perhaps other herds suffered in the way in which I have mentioned this evening? If that is so, then I suggest to the minister, if it is the fault of the vaccine, it becomes a departmental and a governmental responsibility to put that man back in the position in which he was had the vaccine of that strength not been used on his herd. I make an appeal to the minister. I think we have to go farther in this case than we did on a previous occasion, because I believe there is a definite responsibility somewhere lying on the department to see that more than the usual compensation is paid for that herd.

Here is a man who should not suffer because of what may be regarded as a departmental mistake or at least a departmental error in judgment. I suggest to the minister that he ought to inform the committee of the case fully, because the department knows all the details of it. It is a matter which has become quite an issue in certain sections of Ontario, and I should like the minister to answer the questions that I have put to him, so that we may have some clear conception of what the real issue is.

Mr. GARDINER: The explanation is that the vaccine which was being used in the tests earlier was one which was satisfactory to the department and is still satisfactory. There are certain states in the United States which use a different vaccine and which is more sensitive than the vaccine we use, and it was thought that in areas where cattle were being exported to the United States it was wise to have the cattle in those districts vaccinated with the United States type of tuberculin test.

Mr. GRAYDON: Was the United States type used on the McIntyre herd?

Mr. GARDINER: Yes, it was the type used in certain of the states of the United States. The reason for that was that we were rather afraid of having our breeding stock debarred from the United States because of the number of reactors which were showing up through the utilization of this vaccine in the United States, and we used it for some time. It is true that the herd which is spoken of was one of the herds upon which that tuberculin was used, and a number of other herds were affected similarly. I am not certain of the exact number, but probably some eight or ten. The department decided to discontinue the utilization of it in making tests of districts, and we have now gone back to using the bovine test that we had utilized.

When cattle are being shipped to the United States we do, however, still continue to test these cattle; that is, if the district has been tested within twelve months and declared to be free we do not test these cattle; but if cattle are going over that do not come from a district which is free, they are tested with this same type in order to avoid having cattle going to the United States which do react to the tuberculin test that they are using. That is the story.

The question of the extent to which the department should assume liability is one that I do not care to discuss here. I am sure that hon. members will understand why, but it is a matter to which some thought is being given.

The utilization of the tuberculin test was, of course, brought about in a desire to avoid having our cattle barred from the United States.

Mr. GRAYDON: Have any other herds had a similar experience to that of the McIntyre herd since that time?

Mr. GARDINER: Most of them were around about the same time. I should not like to say how many were before or after, but they were around about the same time. The result of this general experience indicated that the test was too sensitive. It may be that there is something in the animal, such as the

pneumonia which is spoken of, which causes the reaction, but when the animal has been taken to the plant to be destroyed veterinarians cannot find that there is tuberculosis extant in the form in which we are looking for it.

Mr. GRAYDON: I take it from what the minister has said that the matter is receiving consideration. If so, I shall not press the matter further.

Mr. GARDINER: Yes, it is being considered.

Mr. NICHOLSON: I noted that veterinarians in the minister's department are receiving substantial increases over what was paid a few years ago.

Mr. GARDINER: About one-third higher.

Mr. NICHOLSON: I must congratulate the minister upon taking this step. I should like to support the hon. member for Brant who has argued that salaries are still so low that I am afraid, without some grants by provincial or federal governments, we are not likely to overtake the serious shortage. For example, in the estimates I notice that last year there were twenty-six veterinary inspectors, grade 1, who were getting $2,670. That number has dropped to nine. Then, in veterinary inspectors, grade 2, it seems that we have quite a drop. The senior class has dropped from eighty-two to seventy-five. In view of the importance of providing services so that we can accept the meat which is slaughtered and have cows inspected for tuberculosis, the minister should have no hesitation about going to the treasury board to get larger appropriations for this important work.

A young veteran in my constituency who had reached grade 12 spoke to me, after returning from overseas, regarding his plans. He is fond of live stock and discussed taking a veterinary course in the hope that more attractive salaries would be available when he finished. But after investigating the situation carefully, he decided against it. I am told that quite a number of veterinarians, on graduating from college, find that they can hang out a shingle in Montreal and Toronto to look after cats and dogs and be assured of a good income. If they go to rural communities to make a living in looking after live stock they are compelled to accept a low standard of living. Certainly the information the hon. member for Brant has given us with regard to the salaries offered to people with a medical or dental degree bears out his argument. And I think if he had the information in connection with salaries offered to men with a legal degree, he would find further evidence to support his claim.

Mr. SMITH (Calgary West): I could hire dozens for $200 a month. You go on from there.

Mr. NICHOLSON: In the federal department here there are not so many with a legal degree who are working at that salary. Unless the minister can enter into an agreement with the provinces to make grants for the purpose of encouraging young people to go to university, I do not think there is much likelihood of our overtaking that problem. Will the minister indicate whether he has had any discussion with the provinces regarding the making of grants for the purpose of encouraging young people to take university courses?

Mr. GARDINER: I do not know of any discussions which have taken place with the provinces in order to bring that about. I can only say that there are about 100 in the third year class at Guelph. Most of these men came back from overseas, and their courses are being financed largely as a result of the fact that they were overseas. In this class I think it will be found that most of the expense of going through is now being provided. I know a number of these men personally, and they had the notion that they wanted to go through the course before they went overseas, even under the conditions which then existed. It is difficult for some of us to understand that because just prior to the war, as everyone knows, live stock were low in price. Most of the veterinarians out in the country districts simply disappeared. Even today most of us have to send twenty-five, thirty, and sometimes fifty miles to get a veterinarian. That is an aftermath of the conditions which existed prior to the war. I imagine what most of these young men were thinking of, when they were trying to make up their minds as to whether they would take up this line or not, was whether we would be able to maintain live stock returns at a level which would make it possible for those who have live stock to call in veterinarians when anything happened to an animal. I am hopeful that we shall never go back to the conditions we had before. The first class that will come out after the war will be the one which comes out in 1948; and there will not be so many then. The big class that will come out following the war will be the one which comes out in 1949. From there on, if we can maintain conditions as they are in relation to the live stock industry, I feel certain that young men will continue to go into that profession. To date there has not been any real necessity for discussing the question, largely because most of

the men who are going in are returned men who are getting their assistance to go to university in the ordinary way.

Mr. DROPE: This matter is of great concern to all people who have dairy herds or any kind of cattle. What is the position of a county such as Northumberland, Ontario, where the first test was made in 1936, and a re-test was made in 1939 which, to my understanding, was not completed? Of course the war came along and nothing has been done since that time, as far as my knowledge goes. What is the position of that county in regard to the testing being taken over again? When can we expect that something will be done along that line?

While the officials are looking that up, I will go on with another question which has to do with part-time employees or veterinarians who are located in the county or adjoining counties? What does the department pay them per day or per head? On what basis are they paid, or does the department employ anybody in that way? It appears to me that there are in counties veterinarians who could be employed advantageously and I see no reason why they could not do some of the work. As a result of discussing this matter with a number of these men, my understanding is that the pay is not sufficient to warrant them taking on the work. That situation will not improve unless the scale of pay is raised so that it will attract these men to do this work. I think that is something which should be pursued. As I said at the start, it is of great concern to owners of dairy herds. I should like to hear what the minister has to say in that regard.

Mr. GARDINER: What I now say is subject to correction because I have not the exact figures here; but I will check it immediately after the house adjourns, and if what I am stating is not correct, I will correct the figure in *Hansard* so that it will be on the record tomorrow. My understanding is that at the present time we pay $15 a day to part-time men and they take care of their own expenses. We pay them $15 a day for this work. There is, of course, some question as to the manner of man who can do this. Since we raised the pay—and the pay was raised about a year ago, I think—we have had the experience of two or three of our own men leaving our service, going out into the field and taking on this part-time work. This would indicate that at least those two or three thought they were better off out in the field taking part-time work than they were with the pay we were giving them. We think the pay is reasonable, and quite a number of men are taking advantage of it.

On the other question with regard to Northumberland, I understand, from what the hon. member said, that one inspection was made.

Mr. DROPE: That is right.

Mr. GARDINER: And that the second inspection was only started.

Mr. DROPE: Yes.

Mr. GARDINER: We do not seem to have here a complete record of Northumberland, but I take it that what has been said is correct. That county would stand in its same order of precedence as before the war when those two inspections were made, or when the one was made and the other was started. It will take its turn along with the others in having the second inspection completed.

Mr. DROPE: How can we get the information as to how the schedule is set up? Is any list kept so that we can see just how we are coming along from time to time?

Mr. GARDINER: Yes, there is a complete list. As a mater of fact we are supposed to have it here in front of us. We have been examining it to find out what the position of Northumberland is, but have not been able to locate it. However, there is a complete list.

Mr. DROPE: When the minister says that he has a complete list in front of him and then says he has not anything on Northumberland, I would suggest to him that he has not a complete list.

Mr. TUSTIN: From the county of Prince Edward, which is a tuberculosis tested area, a great many cattle are being shipped to the United States market. The farmers in that county are having great difficulty in getting these cattle tested. Of course there is a shortage of veterinarians in that part of the country. I have been advised on several occasions that the independent veterinarians or the veterinarians who are out on their own, carrying on their own practice, are refusing absolutely to go out and test these cattle. They say they have not the time or that the price does not appear to be nearly enough for them to give their services in that kind of work. If the rate is only $15 a day, and these men are required to pay their own expenses, I submit to the minister that it is not nearly enough under present-day conditions and that it should be considerably raised. I would ask him to see if it is not possible to raise that in the very near future in order that these people may be able to take advantage of the market in the United States. About a month ago one of my constituents told me he was unable to have a shipment of forty cattle

tested in time to carry out a sale he thought he had made, because the firm in the United States refused to go through with the bargain. That resulted from the fact that the independent veterinarian would not take on the job at a rate the farmer was able to pay.

Mr. GARDINER: If I may be a little more specific in my statement with regard to Northumberland and other similar areas, the position is that the country is more or less divided into blocks. That is, we have a number of veterinarians who are working in certain areas, and the number available will depend on the size of the district. While generally the counties—in Ontario it is counties—are taken in the order in which they apply for their first inspection within that district, when it comes to second inspections and others as we go along there may be some variation for the reason that those who are working on the task of re-testing may find it more convenient and less costly to take the areas as they go along, so that they may work right out of one district into another. That may vary what I said a few moments ago, that Northumberland would come along in the same order as would have been followed if the war had not interfered. But we attempt to keep them pretty much in the order in which they make application.

Mr. DROPE: With regard to the payment of $15 a day for veterinarians, on an average how many cattle do you expect a man to test in a day? I ask that question because I have heard a good many complaints by veterinarians that the amount the department offered them for this work did not make it worth their while. If it is $15 a day whether they do five or ten or thirty cattle, it might be advisable to change it to so much a head. Probably something along that line would be more satisfactory.

Mr. GARDINER: One of the difficulties in that connection, as will be understood by hon. members, is that if a man goes into a stable where there are 100 cattle and makes a check it is a simple matter, as compared with going to perhaps five different farmers to test the same number of cattle. The question of whether or not the veterinarians are paid enough should remain on its merits and be considered in that light. My own experience has been that if a veterinarian is fully engaged; if he has all the work he can do or all the work he wants to do in general practice; if he is able to do fairly well at that you are not going to get him to take on this other work, and I doubt if he would do so, no matter what you offered him, provided that it was within reason. But if you find a veterinarian who is not fully employed, whose time is not all taken, he is usually quite ready to take on this work. I think you would find it difficult to get the busy fellow to take it, no matter what the pay might be.

Mr. ROSS (Souris): I know there has been quite a bit of discussion on this item, but it is an important one and I want to support much of what has been said by various hon. members this evening. The area in Manitoba where I live was made a restricted area quite a few years before the war, but in all this time there has not been a second inspection. Those people were quite prepared to wait during the war years, but in the meantime many other municipalities in the west have made application to be brought into the restricted area, and they are also still waiting. I want to offer a suggestion to the minister. I understand that quite a number of students are taking the veterinary courses right now, and I am wondering if this thing could not be reorganized and a number of these students brought in under a graduate veterinarian, in order to expand this work. It seems to me that if it were tackled in that manner at this stage we could expand the restricted areas of this country right now and also reinspect some of the existing areas which were tested five, ten, or fourteen years ago. We must remember that at this time the production of pure-bred live stock is important in this country. As my good friend the hon. member for Assiniboia has said, the national live stock people are very much concerned about this matter right now. The hon. member and I both live in a fine live stock country, though at one time it was considered the drought area; and we are right on the boundary, with the export market available to us. The minister should be able to give us approximately what expansion is anticipated for the coming year. Surely that must be worked out by now. I would earnestly suggest that students taking these veterinary courses be employed in this work during their holidays, to expand this work further. Our people back home are very much concerned about these matters right now, and if the minister could say that a certain amount of expansion would be carried out during the next year, in order to give these people some concrete idea of what is going on, I believe it would be encouraging to them.

Mr. GARDINER: I have discussed that point with the departmental officials previously, suggesting that we might use these third year students, at least; but there is some hesitation about doing that, for two reasons. In the first place, it is sometimes difficult to satisfy the owner of the herd that a person who is not fully qualified should be given

authority to condemn his animals. On the other hand, the question is always raised as to whether the Americans would accept a test made by anyone but a fully qualified veterinarian. It might be possible to have the work done more quickly by having one student go along with each fully qualified veterinarian. I am not sure about that, but it is a possibility, and in any event we shall consider it carefully. I am just informed by my officials that they think some of that will be done this year. It has been under consideration, and we may be able to go to the extent of sending one student along with each qualified veterinarian and speed up the work in that way.

Mr. ROBINSON (Bruce): After this beneficial and enlightened discussion of cattle, I am going to change the subject to diseases of horses, nobler animals. We have good cattle in Bruce county but we also have good horses and good cabinet ministers. If any hon. members can come up to the Teeswater fall fair they will see that we have horses comparable with those at the royal winter fair in Toronto.

I am rising now to bring to the attention of hon. members the fact that there is a disease of horses which is not known to a great many. I did not know of it until the fall of 1946, when there was an outbreak in our township. That disease is called infectious anaemia; the nickname is swamp fever, and I think it also goes under about twelve other names. Learning of this outbreak in our township, and that the veterinary surgeon from the provincial department, Mr. Schofield, was there, I wrote the minister here in Ottawa. He was attending to some duties in the west, and in his absence I had a reply, part of which I should like to read:

While the loss to an individual owner may over a period of years, be considerable, there appears to be no tendency for the disease to spread to neighbouring premises. No regulations relating to swamp fever have been established, and the department has no authority to order diseased animals destroyed, or compensate the owner.

In this instance the outbreak of swamp fever meant the destroying of eight horses on one farm. The department at Guelph tried some different remedies which had not been tried before, including penicillin. The owner went to considerable expense, and found that no benefit was being derived. The result was that eventually he destroyed the horses which were infected.

I should like to give a few details I obtained from a book called "Diseases of Horses," published by the United States department of agriculture. It says that infectious anaemia was known in Europe as far back as 1843. Since 1900 it has been reported in twenty-nine of the forty-eight states of the United States of America. When a horse is affected with it he is incapable of regular work. Once a horse is infected, even if apparently it gets well, it is a carrier of the disease for life. The germ is transmitted by bloodsucking flies, and it has been reported that in a few instances in Europe men have been infected with the disease. The control depends upon the identification of the virus carriers. Up until now there has been no inoculation for the disease.

I should like to read some correspondence from veterinary surgeons with respect to this disease. The first letter is from Doctor A. L. MacNabb, principal of the Ontario veterinary college at Guelph. He writes:

Dear Dr. Robinson:

Dr. A. R. Campbell informed me that you were inquiring regarding swamp fever infection. As you know this is a condition long recognized; it is caused by an organism which is too small to be seen by the microscope and is transmissible from horse to horse. Age appears to make little difference.

The disease is transmitted by the exchange of horses during the incubative stage. This disease is not infrequent in the central west. There is every indication that it was introduced to the east from shipments of horses from these communities.

In your community I am informed eight horses either died or have been destroyed as a result of swamp fever infection. Dr. Schofield of our staff visited your community, and after post-mortem examinations had been made the evidence points that the source of infection was due to the purchase in the fall of 1944 of a driving mare. The citizen who lost these horses was instructed by Dr. Schofield to disinfect the stables.

The eradication of the disease would take place much more quickly if the condition were a reportable one, the infected animals destroyed and the immediate contacts.

If there is any further information you desire in this connection we will be pleased to communicate with you.

Then I have this further letter from one of our local veterinary surgeons:

In regard to swamp fever in horses I wish to say that I believe this disease should come under the contagious diseases act and when an animal is affected it should be disposed of and the owner paid for it and the remainder of horses quarantined for a length of time until one sees fit to release them.

And this is a letter from another veterinary surgeon in my district:

I understand that you are attempting to have swamp fever in horses dealt with under the contagious diseases act.

This is a move that would be very much in my favour, and I cannot express the necessity of having this disease more closely guarded.

In this territory in the last few years I have been in charge of several outbreaks, and of

these, two were very costly, and not having authority to isolate these animals properly, and dispose of them properly, certainly gave the disease a very widespread area of infection. Especially in a disease of this kind where there is seemingly no treatment, and no apparent control measure, I believe it would be a very good measure to have it dealt with under the Animal Contagious Diseases Act.

I might also add that this disease has been recognized by our chief pathologist. The report of the science service of the Department of Agriculture for the year ended March 31, 1945 states, briefly:

Infectious anaemia of horses has continued to receive attention. A number of vaccines have been prepared but none of these has given encouraging results. For a time there was the suggestion that horses might be protected against the virus of infectious anaemia by inoculating another unrelated virus. The encouraging results in the early experiments have not been borne out.

And the 1946 report goes on to say:

Infectious anaemia — Further experiments directed towards the production of a vaccine were carried on. A crystal violet vaccine, prepared after the manner of swine fever vaccine, did not give rise to any immunity in susceptible horses. Intradermal inoculation of a very small dose of living virus did not produce infection, nor did it stimulate any immunity.

So, according to these science service reports, the disease is giving the chief pathologist some concern. I should be inclined to thnk it would be advisable for the minister to consider placing the disease under the contagious diseases act.

In connection with the local outbreak, may I say that the man who owned the horses deserved much credit. There was nothing to prevent his disposing of those horses to innocent people who would not know the animals were infected. The disease had been transmitted to his horses through a driving mare which he had purchased in 1944 and which had come originally from western Canada.

I should be inclined to think that in the event of an outbreak there should be some regulation whereby the disease would become reportable and animals clinically showing symptoms would be immediately destroyed and the owner recompensed for the loss. Probably other ones not showing clinical symptoms could be quarantined, or whatever measures are considered necessary could be taken.

May I point out that the book to which I have referred says there is no way of testing a horse to find out if it is infected with the disease, other than by the process of drawing blood from one horse which it is believed is infected and injecting it into a horse which it is known is not infected, and then watching the results on the uninfected horse. So that whatever conclusion the department arrives at will not be an easy one; they are so much in the dark about the disease at the present time. However I would be inclined to think the minister's department would be well advised to look into the matter to see what can be done in an effort to stamp out this disease.

Mr. WRIGHT: I asked a question earlier in the evening—

Mr. SMITH (Calgary West): Is there an answer to the question which has just been asked?

The DEPUTY CHAIRMAN: Order. Since Doctor Archibald is now here I was wondering if we might revert to item 13.

Mr. GARDINER: Might I point out that items 17 and 18 have been fully discussed. We have been going back and forth, one to the other. Perhaps if there are only one or two questions to ask we might carry them, and then go back to the experimental farms item.

I should like to answer what has been just said with regard to this matter. It is true that swamp fever in horses is prevalent in some parts of the west, and there is a possibility that horses shipped from there have brought the disease along with them. The departmental officials are of the opinion that one of the conditions which brings about swamp fever is faulty sanitary conditions, inadequate or improperly balanced rations, exceptionally hot weather or other debilitating influences which react unfavourably on the animal. No specific diagnostic tests for swamp fever have yet been found. Mercurial chloride tests, while not specific, may be of some value as an aid in the diagnosis of swamp fever. Although swamp fever has engaged the efforts of many workers, no means of prevention or specific cures have resulted from their studies. Practising veterinarians employ certain treatments using a number of preparations, especially sodium cacodylate; rest, an abundance of good feed, good sanitary environment and the elimination of all influences that are debilitating in character constitute the best known means of combating the ravages of swamp fever.

As to the suggestion that they should be put in the same class as animals suffering from T.B., that there may be difficulties in that. One can understand why it would be helpful to persons who have animals suffering from that disease, but that is the situation. It is not so general as T.B. I do not know that it is in a class which warrants the same type of action as some of the other diseases in cattle, such as Bang's disease, which we have been discussing tonight, diseases which are more

prevalent throughout the whole of Canada. The question of means of eradicating the disease or dealing with it has come up from time to time, but I do not think much consideration has been given to the suggestion of carrying on the same type of battle as we do against T.B. in cattle.

Mr. BRYCE: I am delighted to know from the minister that he intends to have more veterinary surgeons to carry on this necessary work. I think most of us who were in the house when the hon. member for Lanark spoke found his remarks most interesting. With his medical knowledge he was perhaps able to express his thoughts better than the ordinary farmer. The ordinary farmer thinks of what his own children may get from using milk not obtained from T.B.-free cattle.

Another point which has not been raised tonight, is the compensation paid for animals that are condemned when you set up a T.B.-free area. The compensation of $38 a head might have been all right in the days referred to by the minister when we got next to nothing for our cattle. It was about half the price, but today it represents only about one-fifth of what an animal is worth. When we have an animal that reacts and has to go out of the herd it costs us anything from $150 to $200 to replace it. I am referring to the ordinary good grade of milch cow.

If this compensation is not raised I know that farmers are going to be reluctant to let this test go on. The last time I spoke in the house and drew the attention of the minister to this matter, some hon. member said that $96 was paid for purebred animals. That is all right, but we do not all have purebred animals. The average dairy man today is working with grade animals, and I am sure the minister knows that. Compensation of $38 is not sufficient for an animal that is condemned.

When I sit down the minister may say that the farmer has the benefit of the beef as well, which brings quite a good price today. However, in the case of the animal that goes into the tank you get nothing but the $38 and it may be worth $150 or $160. I went through this in 1939, and in the case of some of my animals I got the whole animal less the head whereas in the case of others I got a couple of quarters.

I think the government will have to revise their policy and make the compensation higher than $38. I want to assure the minister that I am not talking just for myself because I live in a T.B.-free area. I have in my room a file containing half a dozen resolutions from locals of the Manitoba federation of agriculture urging me to bring this matter before the committee at this time. I hope the minister will see his way clear to revise this schedule and make it fairer than it is at the present time.

Mr. MILLER: Until the minister spoke a moment ago, I did not know that we were considering item 18.

Mr. GARDINER: If there is a desire to discuss item 18 at some length, I think, out of fairness to the hon. member for Souris and to Doctor Archibald who has been brought here to answer some questions, we should deal first with item 17.

Mr. MILLER: I am not going to discuss it at length; I simply want to confirm what the hon. member for Selkirk said. I notice that item 18, compensation for animals slaughtered, is decreased by $150,000. Can the minister tell us the reason for that decrease? I am not a farmer, but it seems to me that if there have not been inspections since before the war the number that would go down on T.B. tests would be much greater than those last year. Perhaps the item should have been increased instead of decreased, but the department would know more about that than I. I should like the minister to tell us why there has been a decrease in this particular item. Like the hon. member for Selkirk, I have been getting resolutions from various farm organizations and, as he said, they emphasize the fact that this compensation is based on pre-war values, whereas the present price of animals is quite high. The farmers feel that some consideration should be given to increasing the compensation paid for animals that go down in the tests.

Mr. GARDINER: The main reason for the amount of the compensation being down is the fact that much of our inspection this year will be done in areas which have been tested once. We are assuming that there will not be so much cost involved. We may be wrong, in which case we shall have to ask for a supplementary vote to cover it.

Mr. MILLER: Is there any thought in the mind of the minister that the compensation should be increased by the government?

Mr. GARDINER: Our experience is that in the case of nine out of ten cattle destroyed the compensation plus the value of the meat is obtained and the owner is able to get pretty well the value of the animal, and in many cases more than the value. It is true that there are exceptional cases where the

condition indicated by the hon. member for Selkirk exists, but I am informed that, with the price of meat being what it is and the $40, which is the top limit that can be paid for grade cattle, those two combined pretty well take care of the value of the cattle.

Mr. BRYCE: Would the minister consider varying that where there is a total loss? A man's animal goes right into the tank; they keep even the price of the hide for killing the animal, and the owner gets nothing.

Mr. GARDINER: There might be some reason for that in exceptional cases, but in most cases where you find T.B. in a herd, one such animal may go down but others may be affected. It is difficult to deal with individual cases under a general provision of this kind. I do not know just how you would go about it. You might say that where the animal condemned entirely and went into the tank was the only animal condemned in a herd, the entire payment should be made, but the matter has not been considered from that point of view up to the present.

Mr. BRYCE: You might do something better in the first test when clearing up the area.

Mr. GARDINER: We shall have another look at the matter and see whether anything can be done.

Mr. CHARLTON: I should like to support what the hon. member for Bruce has said in regard to swamp fever. Could you not quarantine a small area if it were known that swamp fever suspects were in the district? The present regulations seem unfair to the chap who has an opportunity of disposing of an animal that he knows is subject to the disease, but he is fair enough to have it slaughtered and he gets no remuneration whatsoever. That seems conducive to spreading the disease around other districts, because a man who was not honest could dispose of an affected animal to an unsuspecting purchaser.

Mr. GARDINER: I am informed that this disease is found on particular farms here and there, that it does not cover an entire district. I know, from all the difficulties we have had in connection with quarantining dogs, that if we started quarantining horses we would run into great difficulty, because the man who had a team which was well would want to use them to drive into town, and so forth. I really do not know enough about the disease to say whether quarantining would be worth while; but, judging from the letter read tonight and from the statement we have here from the authorities, there is some question whether the disease is carried from one animal to another as some other diseases are.

Mr. CHARLTON: If it were made a reportable disease, that would be of some help.

Mr. GARDINER: That might be worth while.

Mr. ROBINSON (Bruce): I have word from high officials in the department that they would be agreeable to some degree of control being put on this disease. I doubt if it would cost the country much money because there is a vast difference between this disease and diseases of cattle that are widespread and readily detectable. An animal that shows clinical symptoms of this disease should be immediately slaughtered and the owner recompensed, and control should be kept of all the outbreaks throughout Canada. I do not know whether a system of quarantine could be worked out, but there is no comparison between the diseases of cattle and this disease, which is so hard to detect.

Mr. WHITE (Middlesex East): I have had requests from several farmers in the county of Middlesex to have an inspection of their herds so that they could have their herds accredited. We in western Ontario this year are facing a poor crop year. Many of the farmers around me have not yet sown their spring grain. We hear of things being done for the west when they have bad years, and if the farmers of the east could reap a little more from their live stock by having their herds accredited as soon as possible, if some of these veterinary surgeons who are to be made available for this work could be located in Ontario or western Ontario to speed up the work of testing herds in this critical year, it would be of advantage to our farmers.

We hear of the shortage of United States dollars. Probably the one county in Ontario that brings into this country the most United States dollars through the sale of its good live stock is Middlesex county. Prior to the war, our exhibitors of live stock from Middlesex county took more prize money at the Chicago exposition than any state in the American union. So, speaking for the live stock breeders of the county of Middlesex, I hope that something can be done along this line, and shortly.

Mr. McCULLOUGH (Assiniboia): Would the minister indicate the government's policy in regard to vaccine used for Bang's disease? On the prairies our veterinarians have to go long distances, owing to the shortage of veterinarians, to inoculate herds. I should also like to know whether the vaccine is free?

Mr. GARDINER: No, the vaccine is not free. We issue it under permit to veterinarians in different areas who utilize the vaccine to test cattle shipped out of Canada to the United States, but it is not free. I would ask, Mr. Chairman, that item 18 stand and that we revert to item 13.

Item stands.

Experimental farms service—
13. Experimental farms service administration, **$97,448.**

Mr. GARDINER: A question was asked by the hon. member for Souris with regard to the new wheats that have been produced. There is a new wheat known as Redman, which is resistant to both leaf and stem rust.

Mr. ROSS (Souris): That is a hard wheat—

Mr. GARDINER: Yes, a hard wheat for the southern areas for the western section. There is about 30,000 bushels of it now being distributed to the seed growers' association to be multiplied and distributed, as special strains of wheat and other grains always are. Then there is also a wheat known as Saunders, which is a northern wheat and will replace Garnet for growing in the northern areas. There are about 20,000 bushels of that being multiplied for distribution in the same way.

Mr. ROSS (Souris): What have been the results of the latest experiments with durum wheat?

Mr. GARDINER: There are a number of new selections, none of which is yet ready for distribution.

Mr. McLURE: We are now dealing with the administration of experimental farms. In March I asked a question of the minister which I think comes under this item. The question was:

When will the appointment of a superintendent at the experimental farm at Charlottetown be made?

The reply was:

It has not yet been made but is under consideration and, of course, it will be made by the civil service commission.

Since that time I understand the appointment has been made. There has been a great deal of disagreement with regard to the official who had been expecting it and who was acting superintendent for some months after the retirement of Doctor Clarke. While I have no objection to the man who has been appointed and brought in there, yet the man who was acting superintendent did not get a chance to receive the appointment, notwithstanding that his qualifications were equal to all the others. I also understand—and I may be corrected in this if I am wrong—that the civil service commission did not make the appointment on the records of the examination but were influenced by men in the department. Since it is a matter that should be looked into, I should like to have an explanation, because the young man who had been on the farm for some thirteen years and had given excellent service was recommended and well qualified. He was recommended by Doctor Clarke, the superintendent under whom he had worked, and had all the necessary degrees from the different colleges. In spite of that, he was turned down. When he asked for an appeal it was not granted to him. I should like to have an explanation when the officials are here.

Mr. GARDINER: The case at Charlottetown is one where the appointment was being made, not by examination, but by a promotional competition; that is, it was not open to applications from outside the service. There was to be a promotion, and under the first tests that were made the gentleman who was finally appointed and whose certificate, by the way, came through today, was placed at the top of the list among those within the service who were interested in the appointment or whom the department was interested in having appointed.

Provision is made whereby anyone who feels that he has not been given proper consideration can make a protest, and when that protest is made an independent board is set up which conducts another examination, not an examination in the sense that persons write, but checking the qualifications of the different applicants. That independent board again placed the same man at the head of the list. That was done through the civil service commission, not through the department itself. The appeal is through the civil service commission.

Mr. McLURE: Who was that independent board?

Mr. GARDINER: I am informed that they were appointed by the civil service commission. The officials who are here are not able to give the names of them at the moment.

Mr. McLURE: It is a vital question and I should like to have it answered.

Mr. GARDINER: I can get these names later when we are on the estimates. If we get back to these estimates tomorrow I shall bring in the names at that time. The present appointee was placed again at the head of the list, and I understand that the other gentleman who made application was placed even in a lower standing htat he had been placed by those who made the first test.

Mr. McLURE: Did he enter his protest?

Mr. GARDINER: Yes, he entered his protest and the protest was heard under the regulations as provided for the civil service generally.

Mr. McLURE: I shall be interested in finding out who this independent commission was because, if the civil service commission could not appoint this man or could not decide who it should be and then had to call in an independent commission, I think the matter deserves some investigation.

Mr. GARDINER: The whole procedure is set out and has been over a long period of years. The civil service commission appoints persons to the service. That is, men write examinations and get into the service on the written examination. When it comes to promotion within the service the department recommends the promotion of certain persons within the service, and they recommend one over another or over a group of others and say that he is the person we think is the man competent to fill that position. If, as has been done, anyone who thinks he has not been given proper treatment by the department can lodge a protest with the civil service commission, and then the civil service commission determines whether the department made the correct decision. In this case that procedure was all gone through and the civil service commission set up an independent board. That board decided that the first decision was the correct one, and the man, Mr. Parent, I think it was, who was at Fredericton prior to that time, was appointed to Charlottetown.

Mr. McLURE: Does the minister mean by that, that this independent board answered the protest of the man from Charlottetown who had applied for it and reconsidered his case, or did they just decide that the first appointment was the one the department wanted?

Mr. GARDINER: No; they decided on the qualifications and placed the second man lower than the department itself placed him before.

Mr. McLURE: I shall expect to have the names of this independent board.

Mr. GARDINER: Yes; I shall get the names of this board.

Item stands.

Progress reported.

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

Friday, June 13, 1947

The house met at three o'clock.

PRIVILEGE

MR. DIONNE—STATEMENT RESPECTING POLISH GIRLS BROUGHT TO CANADA

Mr. LUDGER DIONNE (Beauce): Mr. Speaker, I rise to a question of privilege. At the outset may I crave the indulgence of this house, on whose generosity I hope I can count, to make a statement with reference to the extensively publicized question of the one hundred Polish girls whom I have brought to Canada. I consider it my duty to inform the house and the people as to the exact facts pertaining to this matter. If my colleagues and Your Honour will kindly permit me to do so, I shall immediately proceed with my statement. It will take me about thirty minutes.

Mr. SPEAKER: Has the hon. gentleman unanimous consent to make the statement?

Some hon. MEMBERS: Agreed.

Mr. SPEAKER: The hon. gentleman may proceed.

Mr. DIONNE (Beauce): It has been said in this house that I am short of female help. That is true, since my mill was built in 1941. It is also true that there was a turnover of 550 girls in my mill in 1945. The reason for the turnover is mainly the shortage of houses in St. Georges. We had to hire some farmer girls from the neighbouring communities. These girls have no board to pay at the parents' homes, and they are not obliged to work. If they do so it is mostly because they wish to make a few dollars for their personal expenditures. Furthermore they have to go home in the spring to help make maple syrup and sow and gather the crops, so we cannot rely on these girls as steady employees. In a few words, these girls are not industrially minded, and are not looking to make a career out of their jobs. In the meantime my mill is operating under adverse conditions. Other mills all over Canada whom I supply with yarn consequently are in the same situation, because they cannot rely on steady weekly deliveries from my plant to keep in full operation.

In order to illustrate the dislocation that an irregular supply of yarn produces in a weaving mill, let me tell you that looms in such mills consume a definite quantity of yarn daily. When this plant runs out of yarn the looms have to be stopped and help discharged. When production resumes or increases,

employees have gone away on other jobs and cannot be replaced except by inexperienced help. The same conditions apply to the knitting industry and dress-making establishments. The owners of knitting and weaving plants could not stand such adverse conditions. So they went to the United States and bought yarns to keep their looms in operation. As the price of yarn is much higher in the United States than in Canada, the Canadian government has to give a subsidy on United States yarns to these manufacturers, in order to keep the selling price of their fabrics in line with the ceilings imposed by the wartime prices and trade board.

Who will have to pay for this? The Canadian people. Who is penalized by lack of employment? The labouring class in this country. During the war I bought buses to bring help to the mill from neighbouring communities. Unfortunately this method was too expensive to be carried on after the war. I advertised in rural newspapers all over the province for months asking for female help. I wrote to the parish priests and mayors of municipalities from Beaumont to Gaspe, including the Magdalen islands, without success.

When the dominion arsenals were closed in Quebec city I got in touch with the employees social welfare officers of those plants to get some female help, but with no more success. I also got in touch with the unemployment office.

In 1945 I built ten apartment houses to shelter large families who would be willing to come to St. Georges. I had authority from the wartime prices and trade board to charge $40 a month rent for those houses. I offered them to my employees for $20 a month, which is the price they are still paying me.

All this was not enough. I was still short of female help. I cannot understand why I should be blamed for trying to improve the conditions in my mill, and at the same time to improve the conditions in other mills in Canada.

It has been said that the wage paid in my plant to female help was 25 cents an hour. This is exact for the first month. But the second month the rate is 30 cents. I would like the house to know that these salaries are above the minimum imposed by the province of Quebec. When girls become more acquainted with their respective duties they are paid on piecework. When a girl has gained enough experience she can make a salary of from $16 to $25 a week, according to her ability and her ambition. The price the girls have to pay for their room and board at St. Georges is between $5.50 and $6 a week. This is due to the offices of the good nuns who make it possible, by their devotion to duty and humanity. I think these salaries are not so bad when compared with those paid in Ontario, where the cost of living is much higher.

I have received many letters from people all over the country since this matter has been debated in the house. I will read only one, to show you that facts are much different from words. This letter is from Toronto, under date of June 2, and states:

> For the last few days since the arrival of the two groups of Polish girls to work at the Dionne spinning mills we have heard blasphemy over the radio and newspapers about you and your good heart. I, as a Polish-French girl, wish to tell you that, as I see this case, I am proud to say I see nothing wrong. What you are doing to my Polish sisters is a great magnificent deed.
>
> I cannot express myself exactly what I think, but I am very proud of your work.
>
> I would like to tell you that these people who spread blasphemies about your work are people who do not look into their own front garden to see whether it is as perfect as the neighbour's garden, before criticizing others. These people say that you pay very little, whereas here in Toronto people receive the same amount and no one mentions about it. I will give you an example as to myself and many other girls similar to myself. In November, 1946, I worked as an experienced hand at $12.50 a week. That was after finishing high school and graduating a year later from designing school, which cost my parents $150. The reason I could hold out on a pay as this was because of my good parents that gave me room and board free. But my money was spent for carfare and lunch. The remaining money went for other expenses, which was not much.

The rest of the letter is to the same effect. Some people have declared that if I was short of labour the reason was that I did not pay salaries high enough to attract labour. Well, any textile man will tell you that it costs $100 to his employees rather than lose it in that when there is a turnover of 550 girls in a plant in a year it costs the employer $55,000. Do you not think that an employer who knows his business would prefer to give this $55,000 to his employees rather than lose it in inefficiency and be always operating with learners?

I have enough experience to tell you that when a girl has decided to quit her job, either to get married or to enjoy the beautiful summer sun at her home, there is no money to keep her working in a plant.

Some union members have declared there were 2,000 women out of jobs in Quebec city. I knew that. I endeavoured to take advantage of this reservoir of female help. But Quebec girls do not want to come to work in the country.

The responsibility of an employer is to keep his plant in full operation at all timees in order

to improve the conditions of his employees. When a plant is working at part capacity it costs the same price for fuel, electricity, water, insurance, interest on money, overhead and the like. The elementary duty of an employer who is short of labour is to try to hire some and keep his mill in full production. In a spinning plant there must be a certain percentage of female help and male workers. The more female help I can get, the more male employees I can give work to. This improved situation will reflect itself in weaving and knitting mills, as well as in dress shops throughout Canada.

Someone has said that the textile industry is the worst industry in Canada in the matter of wages. In view of the information I have placed before the house, I hope hon. members will admit that the textile industry is not so bad, after all, so far as wages and working conditions are concerned.

The same person has said—and I quote this from page 2480 of *Hansard*.

> It is therefore unfortunate that we should bring these women in and put them in the worst industry in the worst province.

I am not ready to admit this. I have a duty on behalf of my constituents to protest against this declaration as being inexact. People living in my constituency, and more particularly in St. Georges, are happy, and would not change their way of living with that of the constituents of any other province.

We all know that the province of Quebec is the rampart against agitators and advocates of socialism, communism and atheism. These trouble makers do not make much headway because our people have the knowledge of sound principles of life, such as the dignity of man, that the state exists for man and his needs and not vice versa, and a firm belief in the unit of civilization which is the family. We also believe that the province of Quebec is a good place to bring up our families in the love of God, of our country, of our province and of our fellow man. With these principles we cannot help but be good citizens.

When I arrived in London I was directed by the intergovernmental committee on refugees to General Wood in Frankfurt. When I reached Frankfurt, Germany, I was received by General Wood and Mr. Elliott Shirk, United States director of intergovernmental committee on refugees in Germany. These people were very helpful and courteous. There are two organizations looking after the refugees: the UNRRA, who have charge of camps, and the I.G.C.R.—that is the abbreviation for the intergovernmental committee on refugees—who have the exclusive authority to analyse each request for refugees, accept or reject them. The girls were actually selected by the international Catholic welfare association and were examined by Canadian doctors. The reason why they were selected by the international Catholic welfare association was that the I.G.C.R. had no time to look after my request, being busy with 15,000 miners they had to send to Belgium, 5,000 families for Brazil and 1,500 for Venezuela. They authorized the international Catholic welfare association to look after my request.

It took me four weeks before I could have access to some camps. It would be silly to report all the details of the different conferences that were held on the matter between the UNRRA and I.G.C.R. authorities. Some officers made the same accusations against me at these conferences as those that were made in the House of Commons not long ago, namely, "sold into slavery; sold down the river," "brought here to be exploited"; "contract labour"; "cannot marry for two years"; "they are slaves until they pay back their transportation." There is only one accusation that was made by them which was not repeated here. Here it is: I was accused of bringing these women into Canada for prostitution purposes. I imagine this accusation was not made against me in this country because nobody would have believed it. It only goes to show the extent to which some people will go to accomplish their ends, to create discord and confusion amongst free nations while they proceed to grab the poor unfortunates now in displaced persons camps.

The result of these conferences brought orders from the I.G.C.R. to open the doors of the camps and let me in with the officers of the international Catholic welfare association. Just a week or two after this was finally decided upon, some members of this house and the press began to criticize me. It is possible some people in this country were unknowingly spreading communistic propaganda. After all, how can you explain the turmoil which has been created in this matter and which spread so rapidly, not only in Canada but in the United States and England? What do 100 girls amount to if you compare them to 850,000 who are in the German camps? A drop in the bucket. To support my suspicion, I will read an article which appeared in a Frankfurt newspaper on the 22nd of May. I quote:

> Frankfurt, Germany: Elliott M. Shirk, U.S. Zone, Director of the intergovernmental committee on refugees now in displaced persons camps, charged today that Russia has actively opposed and obstructed resettlement of displaced

persons, and their tactics have created fear and despair in their minds, and is a planned campaign to libel the motives and actions of displaced persons who refuse to return to eastern European countries. Mr. Shirk also said that Russian demands for forcible repatriation was coupled with Soviet liaison officers attempts in Germany and Austria to accomplish the same thing.

After all, Canada is a small country which we do not hear much about in European newspapers. All at once the press of the whole world practically is talking about 100 poor helpless girls who have come to Canada. If Canadian planes had dropped bombs on the Kremlin, there would not have been more publicity. Is there any sensible man to imagine that people are simple enough to believe that I deserve all the sharp criticism and false accusations made by some members in this house, as well as in the press? Is it possible that some underground concerted action might be behind this propaganda? I do not think I deserve any praise, because the motive that animated me was business, but when I witnessed this great human distress it finally ended in a humanitarian action.

I have assumed the guardianship of these war-torn refugees, many of whom have seen their fathers and mothers killed and do not know where or if they have any relatives still living. Many of these girls are from sixteen to twenty years of age. I am grateful for this opportunity to contribute my feeble efforts to help them. I publicly state that I will carry out my part of the agreement to the best of my ability. I would like all of us Canadians, regardless of political ties and beliefs, to unite in a common effort to alleviate this blot on humanity. Let us get more refugees from under the shadow of hunger, despair and violence and from under communist dictatorship and regimentation. Let us give them hope and individual dignity and make them free. I am certain that when we all die our Creator will not ask us what is our nationality, or what language we speak, or from what province we come, but rather: How did you love your neighbour? I hope that my 100 little Polish girls will help me answer that question.

Some members did not like the idea of bringing these girls to Canada by plane. There was no room available on ships, therefore there was no other means of transportation. I had to take immediate steps to bring these girls to Canada and I personally arranged and paid for their air transportation. I could not expect them to swim across.

Some trade union leaders have declared that these girls have left one concentration camp in Germany to find another in Quebec. These leaders have not seen the building in which these girls are sheltered, because they would be ashamed to make such a false declaration. The foyer in St. Georges where these girls are living is a brand new building with terrazzo flooring all over, covered with pale grey battleship linoleum. The kitchen, dining room, lobbies and rooms are just as nice and clean as any up-to-date hotel in Ottawa. If you can call such a building a camp, my only wish is that everybody in Canada had such kind of camp to live in. We would not hear so much in this house about slums. The girls noted it as soon as they arrived, and seem to be very happy to have something to eat when they are hungry and enjoy freedom. Would it have been better if they had been allowed to come to Canada under open immigration and landed in Canadian cities without any funds? Could they have counted on any support from labour leaders who made this charge? I have a letter here from a man who came to Canada from England on the *Aquitania* on the 15th of April asking me for a job. I will not read it, because it is marked "personal", but it shows clearly that people coming here without a job and without funds may be in a desperate situation.

Someone has talked about English immigration. How can you expect to get many immigrants from England when the Britishers themselves are canvassing the British zone in Germany to bring 100,000 refugees into their country?

Someone has said I should not have been allowed to make a contract with these Polish girls. Why not? What harm have I done to the country, to the girls and to any member of parliament in so doing? Would you have preferred that the government let these girls come into Canada and then have them look for a job themselves? I can visualize the criticism that would have been unloaded on the government right here in this house had that been done. After all, I am not responsible for this contract. It was drawn up and three hundred copies mimeographed by the authorities of the I.G.C.R. in London. One copy will be given to each girl and the others will be kept at the I.G.C.R. office in Ottawa. It is the same organization that has inserted, with my consent, in the contract the clause by which I am not allowed to deduct one cent from the salaries of the girls to refund me for their transportation. I have a copy of the contract right here and I will read the clause referring to transportation. Clause (d) reads:

No deduction from the wages will be made by the company for the cost of transportation of the worker from Germany to destination in Canada.

Someone has said in this house that the girls cannot freely think, act, associate or marry for two years. This is too ridiculous to answer. Someone has talked about government supervision in the selection of immigrants. I would like to emphasize that refugees are dying daily in these camps. Of the number of girls examined, there were many who were rejected by the Canadian officers in Germany. I will not give the percentage, or the percentage of those dying in camps, for fear my speech would reach their camps and add to their sufferings. If you had witnessed the tears and despair of some of these girls who were rejected by the Canadian officers, you would be deeply moved. Who will cure the victims of T.B.? Who will prevent the spreading of the disease in camps where there are some 14,000 people? In some cases a room 10 x 12 is the only space available for two and three families. How can you expect these people to live long enough under these conditions to wait for government formalities?

When one has to deal with such pressing conditions, words and speeches do not make much headway or bring much relief. It is action which is needed, and quick action. There are hundreds of thousands of girls in camps who would make good maids for private homes. How many thousands can we absorb? No matter where you go in this country, in villages, towns and cities, you will hear people by thousands asking for maids. Having seen the suffering and the desperate situation of these refugees, I think those who need a maid cannot do any greater charity than to get one of these girls. I will go so far as to say that if the government is willing to grant the permits, the intergovernmental committee on refugees will handle the applications. The office of Mr. Colley, the representative of the I.G.C.R. in Canada, is located in the Royal Bank Building in Ottawa. I am sure any application sent to this gentleman will be given the attention and the cooperation it deserves.

The intergovernmental committee on refugees pays the fares of these refugees up to destination when they are brought over by boat and rail, so that nobody has to look after transportation. It may take some time to get the refugees here on account of the shortage of space on boats. However, when I was in Germany I met some people who told me they could put a boat at the disposition of the refugees provided that we could reserve space for 2,250 each voyage, in order to fill the boat. I am convinced that it would be an easy matter to collect 2,250 applications from the people who need maids in this country.

In conclusion, I do not wish any of my remarks to be construed as an apology for my activities. I am proud of what I have done and would gladly repeat it if necessary.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I am not going to enter into debate on this matter, but may I ask the hon .gentleman, since he has mentioned the contract and read a clause from it, that the entire contract be tabled? I would also like him to table if possible a copy of the correspondence with the government of Canada and with the international refugee organization. Is the hon. gentleman going to table a copy of what I asked for? The answer is no?

Mr. HOWE: The contract has been tabled. I tabled it a week ago.

Mr. DIONNE (Beauce): I deposited the contract with the I.G.C.R. The originals are there. I have only a copy here.

Mr. COLDWELL: May we have the copy laid on the table?

Mr. DIONNE (Beauce): Yes.

Mr. MACKENZIE: A copy of it was tabled last week.

EXTERNAL AFFAIRS

Fifth and sixth reports of the standing committee on external affairs.—Mr. Bradette.

STANDING ORDERS

CONCURRENCE IN FIFTH REPORT OF STANDING COMMITTEE

Mr. MATTHEW MacLEAN (Cape Breton North-Victoria) moved that the fifth report of the standing committee on standing orders presented on Tuesday, June 10, be now concurred in.

Motion agreed to.

IMMIGRATION

INQUIRY AS TO TRANSPORTATION FACILITIES

On the orders of the day:

Mr. GORDON GRAYDON (Peel): May I direct a question to the Acting Minister of Mines and Resources? In view of the statement made a few moments ago by the hon. member for Beauce (Mr. Dionne) which, as I jotted it down, seemed to indicate that there was shipping space available on boats if a contract for 2,250 passages were entered

into coming and going, will the minister comment upon it so that the house will be clear as to what the hon. member meant?

Right Hon. C. D. HOWE (Acting Minister of Mines and Resources): The Department of Mines and Resources has been actively engaged in attempting to find space for immigrants. It may well be that there is a source which has not been discovered. If so I shall obtain further information and certainly explore the possibility.

Mr. GRAYDON: Was I right in my assumption that the hon. member for Beauce did say that there was contract space available for 2,250 persons?

GIMLI BREAKWATER

REPAIR OF DAMAGE CAUSED BY STORM

On the orders of the day:

Mr. WILLIAM BRYCE (Selkirk): I wish to direct a question to the Minister of Public Works, arising out of a telegram I have received from the mayor of Gimli regarding the destruction of part of the breakwater by the last storm which is causing buildings to fall into lake Winnipeg. Will the minister give me some assurance that the repairs will be made at once?

Hon. ALPHONSE FOURNIER (Minister of Public Works): I received notice of this question before coming into the house. I called up my officers and they told me that as yet they have received no report of these damages. I instructed the engineer in Winnipeg to make a survey, investigate and report. The moment I receive that report I shall communicate it to the hon. gentleman.

PEACE TREATIES

INQUIRY AS TO APPROVAL BY PARLIAMENT

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I should like to direct a question either to the Prime Minister or to the Minister of External Affairs. In view of the grave uncertainties and disturbing possibilities in certain sections of Europe, does the government intend at this session to press for approval of the treaties of peace involved in the resolution now on the order paper and dated May 28 last?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I think it will be proper at this session to ask the houses of parliament to approve the treaties of peace, as has been done in the United Kingdom and in the United States. The resolution on the order paper calls for such approval by the houses of parliament, and that is necessary before instruments of ratification can be deposited. When the motion was drafted in this form consideration was given to the question of how soon after it passes parliament it might be proper to deposit the instruments of ratification, which, as the hon. member knows, have to be signed by His Majesty the King. It was felt that we should endeavour to secure the approval of parliament now, and decide, in the light of the circumstances as they may exist at the time when His Majesty's instruments of ratification should be actually deposited.

FISHERIES RESEARCH BOARD

PROVISION FOR SCIENTIFIC, TECHNICAL AND OTHER OFFICERS AND EMPLOYEES

The house resumed from Thursday, June 12, consideration of the motion of Mr. Bridges for the second reading of Bill No. 264, to amend the Fisheries Research Board Act.

Mr. W. CHESTER S. McLURE (Queens): When the house took recess at six o'clock yesterday I adjourned the debate. At that time I had almost come to the conclusion of my remarks, but I have a few more words to say with reference to some of the conditions in the fishing industry. I had dealt briefly with fishing, curing and part of the distribution. I now wish to place on record the plight the fishermen find themselves in at the present time.

Today fishermen and the industry are faced with lower prices for their produce and soaring high prices for all commodities and all supplies that they need to engage in their calling. As I said, the price of their commodity has dropped. The price of everything they purchase has advanced to a very high degree. I should just like to give a few of these prices in percentages. Take twine. The advance in twine of different kinds, makes and meshes has amounted to about 150 per cent during the last four years. Rope has advanced fully 150 per cent. These two articles are largely used in the fishing industry. Shooks which go into the making of boxes are in the same position. Shooks for boxes which contain up to 200 pounds have advanced in price about 130 per cent. Shooks for medium-sized boxes have advanced 150 per cent. The smaller sized boxes which contain five, ten and twenty pounds and in which the great bulk of the fish is shipped have increased 290 per cent.

When we come to gear we find this situation. Let us look at the advance that has taken place in boats, for instance and repairs to boats, dories and all kinds of fishing smacks. These have increased in price from 60 per cent to 75 per cent. Wages have also increased. On the whole the fisherman is faced with highest prices

on everything he has to buy to continue his fishing. The prices of all his commodities, averaged together, show a percentage of 140, he has to pay this on all the gear which he must purchase for his fishing activities. These are the conditions which face the fishermen, the canners and the packers. This is one matter in respect to which the Minister of Fisheries (Mr. Bridges) will, as soon as possible, endeavour to assist the fisherman so that he may continue his industry.

For a moment I wish to refer to the consumption of fish, as previous speakers did yesterday. Fish does not seem to be in the class of an essential food. Housewives do not look upon it as necessary, and I think that is the reason why it is not consumed in the same proportions as other stable foods. It was recorded here yesterday that the consumption per capita per annum of fish was 8½ pounds, while the consumption of meat was 137 pounds, of eggs 38 pounds, and so on through the stable foods.

If the fisheries department could place before the housewives and the people of the country an educational programme to show the nutritional value of fish, I believe it would be a great help in the pressing time that the fishermen are having.

I wish to put on record a little item from the fisheries council bulletin with regard to the nutritional value of fish.

> Nutritionally, no foods are better and a few are equal to fish. Proteins, fat, minerals are abundant. Protein is the most important food substance found in fish, an average serving supplying sufficient to satisfy the daily requirements of the body. The iron in seafoods helps to prevent anaemia. Iron prevents goitre. The important body functions are regulated by calcium, phosphorus, copper and magnesium, all of which are found abundantly in fish.

I think that if we had proper advertising of fish, with instructions in the preparation of it for food, it would do a great deal to help the industry.

We have now before us Bill No. 264 to amend the Fisheries Research Board Act. The amendment to section 8 is intended, in my opinion, to take the control away from the Minister of Fisheries. Personally I do not agree with that. I believe that if more control were given the minister, so that he would not have to go to some other body when he had an idea of what was best for the industry, it would be better. I would rather see this clause remain as it is. However, we will deal with it when we come to it. I should like to see the minister retain control so that he could urge on his own government that they give him adequate allowances for the further development of our great fishing industries.

Mr. H. G. ARCHIBALD (Skeena): I will not keep the house long inasmuch as the members for New Westminster (Mr. Reid) and Nanaimo (Mr. Pearkes) covered the ground in outstanding fashion. However, I want to bring out one point I heard in the discussion, which interested me, namely that the solution of many of our fishing ills lies in the consumption of more fish. The point, as I am coming to see it, is that it is not going to be a solution at all because it looks as if we are depleting our banks to such an extent that it will be difficult to get any fish.

According to the December 7 issue of *Collier's* magazine, which contains an excellent article on the fishing industry, I gather that what is true on the Pacific coast is also true on the east coast. The grounds are being depleted to a large extent. Out of 100 fish caught in a drag, from 40 to 90 fish were not saleable and died. That was the result of a dragging experiment carried out by the halibut commission.

As far as sable-fish are concerned, in 1943 and 1944 statistical returns showed that out of 11½ million pounds of sable-fish landed by line fishermen, draggers landed 2 million pounds, and it is recorded that there were more fish in the 2 million pounds than in the other proportion. So that with modern fishing the beds are being destroyed in both halibut and sable fishing. Granted that they are under the control of the international halibut commission, and to a large extent the problem of a continuous crop is solved there, but the fact is that the season is now getting shorter and shorter. The season in No. 2 area lasted only thirty-nine days. Therefore it is not altogether price that is affecting the fishermen. The season is becoming shorter, and other means will have to be found to use their boats and equipment in order that they may carry on as an independent fleet.

On the east coast they have some form of credit legislation put through by the provincial authorities, but on the west coast we are not blessed with an advanced government that puts through that form of legislation. If we could get the federal authorities to assist the fishermen on the west coast with credit legislation, I have no doubt an independent fleet could be maintained.

I thought I would bring up these points, because it has been pointed out that a crisis is building up in the fishing industry. I do not know exactly how it can be solved under the present methods but I do hope that more

money will be allocated for educational purposes among the fishermen so that they will understand the problem they are facing.

While on the coast last winter I received complaints that there is not enough money allocated to the university of British Columbia extension department. There is a far greater amount allocated to the east coast, and yet 50 per cent of the fish are caught on the west coast. The fisherman appreciate this service and would like to see a greater amount allocated to this department. With the number of boats engaged in fishing constantly on the increase, a crisis is developing.

I fully believe that in the final analysis, if it is not going to end in a cut-throat affair, the fishing grounds will have to be far more rigidly controlled than at the present time, and to a large extent fishing will have to be turned into one large cooperative unit where self-discipline and education will be scattered among the fishermen so that they themselves will protect their grounds. At the present time, with so many competing interests, the fishermen at times cannot afford to be honest, and there is too much bootlegging of fish, and raiding as well. The only thing I can see as a solution for the fishing problem, so far as the west coast is concerned, is to have a complete cooperatively owned system of canning and processing of fish so that the fishermen will work through their own organization to protect their own interests.

Mr. A. W. STUART (Charlotte): I assure you, Mr. Speaker, that my remarks will be brief and to the point, as most of the hon. members who have preceded me have been brief.

First I wish to associate myself with the remarks that have been made by those who have taken part in this debate. It would appear that in discussing fisheries members on all sides of the house are pretty much of the same opinion as to the ills of the industry and what might be a cure or at least some relief in a very difficult situation. As has been stated already, the fishing industry is the first to feel the effects of the post-war period. Today conditions are not good. The facts must be faced and the problems studied very carefully. In my own county, marketing conditions are responsible for an enormous drop in production, particularly in the sardine trade where over fifty per cent of our markets are lost. It is hoped there will be an improvement in the near future. At the present time the supply is very much greater than the demand. Undoubtedly this seems incredible to many hon. members who are aware of the fact that millions of people in the world today are without necessary food.

The matter of markets and distribution would still seem to be one of our major problems in the fishing industry. If the industry is to survive in the maritime provinces, home consumption of fish must be encouraged and markets must be found for surplus. On different occasions I have pointed out in this chamber the absolute necessity of United States markets for our fishermen, and have suggested the benefits that might follow an international gathering of fishermen and government officials. Another matter I have continually brought to the attention of the fisheries department and research board is the necessity of establishing lobster hatcheries on the Atlantic coast. I am aware that an investigation was made into the hatcheries in the state of Maine and an unfavourable report brought back, but this information does not coincide with the reports I have received personally from the operators of hatcheries in the state of Maine, or with articles published in their fishing magazines. I could read several of those reports, but shall refrain from doing so at the present time. The great problem the Maine fishermen have to face in this regard is the lack of funds to carry on this important work. Our problem is not lack of funds but lack of interest or action by the research board. The United States, with a population of 130,000,000, is spending less on fisheries research than is Canada, with less than one-tenth that population. The fishermen in Maine, however, are interested to the extent that they provide funds themselves to carry on this work. If a lobster fisherman in the state of Maine catches a spawn or berried lobster, it is taken to the hatchery, where he is paid the sum of $1 for it. In many instances lobsters have appeared at these hatcheries three and four times. Each time a lobster is received a puncture is put in its tail, so they are able to say that some lobsters have been caught, liberated and caught again by fishermen and returned to the hatchery. If that much interest is taken in the lobster industry in the state of Maine I think it is time the research board in our own country decided at least to give the hatcheries one more try. This would please many fishermen on the Atlantic coast; and until this is done the feeling will always be that the industry is being neglected.

At this point I wish to make my stand very clear in regard to research. I realize the value of scientific research to the fishing industry. The exception I take, however, is that too

much time and money is spent on inland or sport fishing, while our commercial fisheries are neglected. I also agree with the statement made by the hon. member for New Westminster (Mr. Reid) that we have too few practical men associated with the research board, too few men who have had actual experience. My thought is that the scientist is not always right. In his estimation a bumble bee should not be able to fly; the body is too large and the wings too small, but very much to his disgust and amazement it does fly. I believe this same rule would apply in many instances in reference to the fishing industry. Knowledge obtained over a period of years in any industry should be helpful to the government department concerned, and in this case such information could be useful to the officials if they were willing to accept it. I regret, however, that little consideration is given ideas that do not originate within the department. In other words suggestions coming from those on the outside are not greatly appreciated.

I have no complaint whatever in regard to the minister. I believe he is earnestly striving to put his department in order and to assist every branch of the fishing industry in all parts of the country. At the same time I fully realize that he must be guided by the officials of his department. It would be very much out of order for him to do otherwise. Any suggestions coming from the outside must be very carefully studied and screened by the officials, after which a report is made; and the minister naturally is influenced by that report in coming to a decision. During the months of July hundreds of thousands of spawn or berried lobsters will be available in the maritime provinces. It is to be regretted that they are of little interest to the fisheries research board. Therefore I would again impress upon the officials of this department the importance of the lobster fishing industry to the maritime provinces, and at the same time point out to them the indifferent attitude they have taken to date.

Mr. SPEAKER: Order. I am sorry to interrupt the hon. gentleman, but the other day I was obliged to call to order an hon. member who was reading his speech. I think it only fair, therefore, to suggest to the hon. member who now has the floor that he is reading his speech and that he should not do so.

Mr. STUART (Charlotte): Well, Mr. Speaker, I am reading a portion of it, but I can assure you I am not reading it completely.

In one portion of this bill mention is made of superannuation for the employees of the fisheries research board, and I think this is a good idea. In my own town I know of employees of this board who have been working for the department for perhaps thirty years. Unless there is some change in the regulations, however, when it comes time for these men to retire they have no chance in the world of obtaining any benefits by way of superannuation. I believe an injustice is being done in this case, and that these men should receive exactly the same consideration as other people in the government service who come under the Civil Service Act. Two particular friends of mine have been with the department for many years. Their work has been very helpful to the research board and the biological board, and I feel that this department should take action at the present time to see that these people are placed in exactly the same position as other government employees. There are also younger men who have been with the department for perhaps only a year, two years or a little more. My understanding is that they have never had an opportunity of becoming members of the civil service. At one time I believe a vote was taken, but men who had been in the service for many years voted the measure down. Many of these employees are keenly interested in becoming civil servants. As to the older men, I believe it would be impossible for them now to pay into the fund sufficient to give them the amount of pension they rightly deserve and such instances some adjustment will be necessary. But I would urge upon the minister and the department that they give careful consideration to the providing of pensions for men who have given years and years of faithful service to the research board and the fisheries department.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, there is very little I wish to say in this connection, because, as other hon. members have said, the ground has been fairly well covered. But in my opinion the government—and by that I mean of course the Department of Fisheries—will have to give more attention to the conservation of our fish resources. I do not know that there is any natural resource which will respond more quickly to proper conservation methods than the fishing industry. On the other hand, the industry can be quickly depleted if orderly fishing and other conservation methods are not provided for. Of course orderly fishing in itself is a method of conservation.

From what I can hear and read my impression is that the fishing industry is getting into a bad way. Certain kinds and classes of fish have now reached the point where the supply is greater than the demand

If that condition continues or develops to any considerable extent, the fishermen, who never were very prosperous, will again be in a bad way.

I hold in my hand the bulletin for April of the Fisheries Council of Canada. I wish to draw the attention of hon. members to one or two statements made by Dr. D. B. Finn, formerly deputy minister of fisheries, now director of the fisheries division of the food and agriculture organization. I gather from what Dr. Finn has said that he believes we shall have to enter into international marketing arrangements in connection with fish and in saying this I do not believe I am placing too wide an interpretation on what he said. Dr. Finn stated that the surplus of fresh and frozen fish already developing would probably lead to more fish under salt, and eventually produce a surplus in that commodity. He said that might lead to a fall in price. And to quote him—

> If this occurs the danger is that fishermen's incomes will fail to support them at minimum standards of living. Price support subsidies and relief will follow.

Then he went on to point out that aggressive countries in need of markets are already recapturing some of the markets we had during the war. To quote further:

> The resulting fight will mean ruin to all—the downward spiral, which we know so well, will have commenced. He offered as solutions the conviction and understanding that this problem is common to all countries—

—and that it should be studied cooperatively, in an effort to find an orderly method of marketing. Then, further in this regard he said:

> I am sure that we all wonder what the result will be when, after recovery, Europe's normal production is added to that which we already have. The fish canning industry is well aware of such questions. Once again we shall have to face the problem of adjusting the power of the world to consume the goods if we are to avoid the consequences of expanded capacity to produce, the consequences which we felt in the depression of the inter-war period . . .
>
> Surely, if there is a solution, it lies in the direction that has already been struck. It lies in a thorough examination of the nature of the problem, such as is taking place in Washington by the preparatory commission on world food proposals.

So that all I would care to add to what has already been said is that the fishing industry in this country is an exceedingly important one. It is important in the matter of the wealth produced, and in the production of fish as a healthful and staple food. Any serious setback to the fishing industry would be a serious setback to the economy of Canada. Everything that possibly can be done by the Department of Fisheries to help the fishing industry should be done.

Mr. J. L. GIBSON (Comox-Alberni): Mr. Speaker, I wish to add a few words to what has already been said. I shall be as brief as possible so that this measure may be passed, because there is a great deal of work before the house.

First I would compliment hon. members who have spoken in the debate, because I believe all have added something to the general knowledge on the subject. I believe all hon. members will agree that this is a pretty fair bill; it is a step in the right direction. I believe it is fairly well agreed in the house that what we need for a solution of the basic problem confronting the fishing industry of Canada is a greater consumption of fish.

I believe, too, all hon. members agree that the Fisheries Prices Support Act should be implemented in due course. However there seems to be considerable disagreement among hon. members as to just how this legislation can be most effective.

The hon. member for Vancouver East (Mr. MacInnis) has just read a statement which would indicate that probably subsidies will be necessary, unless some action is taken. In the House of Commons there are about twenty men representing fishing constituencies. All look like intelligent chaps—at least they talk like them—and it has occurred to me that members of parliament may depend too much on the minister and his officials in dealing with problems which we as members should be helping them to meet. We know a good deal about fish, and the marketing of fish. It is pretty well agreed that we would eat larger quantities of fish if it was presented in the proper way, if it was palatable, and if the purchaser could always be assured of its freshness. If between now and the time the estimates for the Department of Fisheries are before the committee hon. members were to give some study to the problem, I am sure they would be able to give the minister and his officials some good suggestions as to how we can increase our consumption of fish.

The hon. member for Qu'Appelle (Mrs. Strum) said last year she was certain the women in the prairie provinces would be glad to eat more fish if it were made available to them at reasonable prices, and if they could be assured of its freshness. I happen to be associated with the fishing industry and I have seen products offered for sale to the consumers of Canada that I would not feed to my cat and to tell you the truth I do not care much for cats.

One of the areas in Canada turned down the opportunity to have the government inspect their canned products. I think that was one of the greatest mistakes that area ever made. They did not want to have the government grade their fish and guarantee to the consumer that it would be good fish when he got it. They just have not sold their product. Up in the restaurant you get excellent food, as the hon. member for New Westminster (Mr. Reid) has said, but the finnan haddie they serve does not taste like the finnan haddie I used to eat. I think the cause of this is that there is not enough smoke in it. Smoking dries out the fish, and it does not weigh so much, but that is the only way you can get flavour into finnan haddie. I think the fish packers in the maritimes could put out an excellent product, but they seem to have decided that there is more money in selling water than in selling smoke.

There are many ideas which the fish packers themselves could introduce in order to make their products more attractive. The hon. member for Skeena (Mr. Archibald) says that he would like to see this a government controlled enterprise, but I do not think anyone would be eating fish after a few years of that.

Mr. KNOWLES: He said a cooperative.

Mr. GIBSON (Comox-Alberni): I think there is a wonderful opportunity for all of us to assist the minister in solving this problem. It is a great problem in Canada. If all we have to do to cure the ills of the fishing industry in Canada is to have people eat five pounds more per year, I do not feel we should have any difficulty in solving the problem provided we use a little imagination.

Mr. A. M. NICHOLSON (Mackenzie): Mr. Speaker, hon. members from the east and west coasts have made important contributions to the debate, but I would remind the house that there is a fishing industry in the central portion of Canada. While there are not many people depending upon the fishing industry for a livelihood in my constituency, it is an important industry in the far north. When the act was passed in 1937 apparently that fact was lost sight of, because section 4 reads:

> The board shall consist of fifteen members appointed by the minister as follows: two from the department, two representing the fishery industry on the Atlantic coast, two representing the fishery industry on the Pacific coast, and nine scientists selected from a list including nominations which may be made by any Canadian university whose staff embraces scientists engaged in research work in any way bearing upon fishery problems . . .

I note that no proposal has been made to revise the act to make sure that there would be representatives from the prairies on the board.

I take exception also to the continued policy of the government that no member of the board shall receive payment or emolument for his services as such, but that each member shall receive such payments for his travelling and other expenses in connection with the work of the board as may be approved by the governor in council. As a matter of policy I do not think we should limit membership on important boards to those who are able to give all their time without compensation. If the members of the board are to do a worthwhile job the minister should not make any apology in coming to parliament and asking that they be paid for the time spent doing this important work.

When the minister was speaking in April to the council he said:

> It is a commonplace to say that the prosperity of Canada depends mainly on the levels of export trade. But of all Canadian industries, there is hardly one more dependent on exports than is the fishing industry.

I want to support the hon. member for New Westminster (Mr. Reid) who said that we have a market here in Canada which has never really been cultivated. When we consider that our consumption is less than ten pounds per person per year as compared with over 100 pounds in Denmark and Japan, as he pointed out, I think we should be looking at our own market. Those of us who were at the luncheon at the chateau the other day will agree I think that if they had to select one item on the menu and none other they would have taken the Gaspe salmon. That is the kind of food that one remembers having eaten. It shows that Canadian fish can be served in Canadian restaurants and provide pleasure to those who eat it. I think more could be done to make sure that the scientific information we have with regard to the handling of fish is acted upon in order that our own citizens, and tourists and visitors, may be able to get good quality fish in all parts of the country more frequently than once a week.

Mr. D. KING HAZEN (St. John-Albert): Mr. Speaker, I should like to say just a word about the amendments to the act proposed by this bill. It seems to me that they will add to the efficiency of the board. As the bill is to be referred to a committee I was surprised at the length of time this debate has taken. It seems to me it would have been more appropriate to discuss the matter of fisheries when

the estimates were before the house. However, that is perhaps a matter upon which I cannot speak with any authority.

I want to support the hon. member for Charlotte (Mr. Stuart) who has requested that further attention be given to establishing lobster hatcheries along the bay of Fundy on the Atlantic coast. Two years ago I proposed in the house that lobster hatcheries should be established and the matter was referred by the minister to the biological research board which made an adverse report.

This report, of which the minister kindly let me have a copy, says that the lobster fisheries along the New England coast have more than doubled in the last few years. I have not the figures before me, but I know the lobster fisheries along the bay of Fundy have not increased in any such proportion. If the lobster fisheries along the New England coast have increased to such a great extent there must be reasons for it. It seems to me that one of the reasons is the fact that lobster hatcheries were established in the state of Maine. There may be others, but surely there must be some connection between the increase in the lobster fisheries along the New England coast and the establishment of the lobster hatcheries. I have been informed that the lobster fishermen on the island of Grand Manan attribute their increased catches to the Maine hatcheries.

If there is nothing in these hatcheries, if they are to be damned as the report submitted to the minister suggests, how is it that only last year the state of Massachusetts established one or more of them? New England people are long-headed; they do not throw their money away merely for the purpose of erecting hatcheries if they do not produce results. The fisheries people in Massachusetts must have investigated the matter pretty thoroughly before they went ahead and put up their hatcheries. I know it is difficult for the minister in view of the report he has received, but I would urge upon him that he give further consideration to the establishment of lobster factories along the shores of the bay of Fundy. Let him give the matter another try, in view of the experience of and the modern methods which have been adopted in the state of Maine and will be adopted in the hatcheries in Massachusetts.

There was one thing said by the hon. member for Charlotte (Mr. Stuart) in the course of his remarks—perhaps more than one—with which I did not agree. He said, if I understood him correctly, that too much time was taken up in the minister's department with inland fisheries and sport fisheries.

Mr. STUART (Charlotte): I said that the research board was taking up too much time with inland and sport fisheries.

Mr. HAZEN: With that statement I do not agree. I think the board has been carrying on important investigations in inland and sport fisheries, and I have no criticism to offer of what they have been doing. I hope their work along these lines will be continued and their investigations if necessary extended, and that increased sums will be appropriated to carry on the work that should be done.

If I were the Minister of Fisheries or a member of the fisheries board my chief objective would be to make two fish grow where one grows now. That is the target to aim at. I am perturbed about the salmon fisheries in the bay of Fundy. I noticed recently that the minister was taking some interest in the dams in the Nashwaak river with a view to improving the salmon fisheries in those waters, and I think he is to be commended for what he has done. It seems to me that all the tributaries of the Saint John river and the rivers that enter in the bay of Fundy should be investigated, not only from the angling point of view, but also from the point of view that salmon will come up these rivers to spawn if they get the opportunity and are protected. The better the returns we have from these rivers, the better the commercial fishing in the bay of Fundy should be.

Mr. G. K. FRASER (Peterborough West): Mr. Speaker, when the minister makes his statement in reply will he tell the house what his department is doing in regard to what the hon. member for New Westminster (Mr. Reid) mentioned as to the proper keeping and distribution of fish throughout the country. I brought up this question on the minister's estimates last year. I pointed out that by the time the fish reaches our cities in Ontario it was not fit for human consumption, and that proper check should be made of the freezing, preserving and distribution of the fish.

Hon. H. F. G. BRIDGES (Minister of Fisheries): Mr. Speaker, it is not my intention to make any extended remarks at this stage, but I feel that it is advisable I should place certain facts on the record in order that the house may be a little better informed concerning certain matters in view of what was said in one or two of the addresses which were made on the second reading of this bill.

In the first place, I do not believe that the house as a whole realizes that the board operates certain stations across Canada. There is, first of all, the biological station at

Nanaimo; the fisheries experimental station at Vancouver; the central fisheries research station at Winnipeg; the Gaspe fisheries experimental station at Grand River; the Atlantic biological station at St. Andrew's, New Brunswick; the Atlantic fisheries experimental station at Halifax; and the biological substation at Ellerslie, Prince Edward Island.

The present act which sets up the fisheries research board definitely sets out that:

> The board shall have charge of all dominion fishery research stations in Canada, and shall have the conduct and control of investigations of practical and economic problems connected with marine and fresh water fisheries, flora and fauna, and such other work as may be assigned to it by the minister.

My reason for placing that on the record is so that the members of the house will have definitely in their minds just what are the functions of the fisheries research board and also the functions of the fisheries stations which are operated in Canada.

The hon. member for Nanaimo (Mr. Pearkes) when speaking yesterday made several statements which I regard as extravagant. I am sorry he is not in the house this afternoon to hear my reply, but I feel that I cannot let some of his statements go unanswered. I notice that at page 4086 of *Hansard* of yesterday he is reported as saying:

> It would appear to me that a thorough reorganization of the fisheries research board is long overdue, not as the fault of the scientists, but as the fault of the government in neglecting to support the board.

Again, at page 4160 he made this statement:

> Rather do I accuse the government of failure to support that board adequately in the past, and I hope that this new bill is a step in the right direction.

Then, again, he culminated his address by saying this:

> Finally, I should like to commend all those who are connected with the board and who have made a definite contribution to the industry, and excellent attempts to overcome the almost insurmountable obstacles they have had to face, in spite of what I feel has been in the past a rather half-hearted government support.

Having listened to remarks such as that, I consider that I should give the house some information as to just what support this government has given to the work of the fisheries research board.

If we are to carry on fisheries research the first thing that is absolutely essential is an adequate amount of money to spend on research. I am frank to admit that I do not always get all the money I ask for and have asked for in the past, and I think any other member of the cabinet will have to be frank and admit the same thing.

Mr. GRAYDON: What stops it?

Mr. BRIDGES: Quite often it is the opposition. In other cases it is the financial position of the country. I would point out that the hon. member for Nanaimo when he made that statement had evidently not made any study of the expenditures which have been made on research by this government. It might interest the house to know that in 1920-21, when the old biological board, as it was called at that time, was in being, only $30,690.11 was spent on research, whereas in 1946-47 up to February 28—I have not the final figures up to the end of the fiscal year—$626,341.19 was spent. In other words, in a period of some twenty-five years the amount of money spent on fisheries research has gone from a little over $30,000 to over $625,000. It is of special interest to me that the amount of money spent on research has increased greatly during the present administration. I am going to compare for a moment the time when the government under the leadership of Mr. Bennett was in power and the amount of money spent on research at that time. I do this only to show—and I think I can show it conclusively—that this government has not given only half-hearted support to the work of the fisheries research board. I have the figures for a certain number of years but I shall not put them all on the record. In 1931-32 there was approximately $275,665 spent on research. In 1932-33, $228,062 was spent on research. In 1933-34, $176,239 was spent on research.

Mr. MacNICOL: The minister should state that that was during the depression.

Mr. BRIDGES: I am quite frank to admit that it was during the depression, but what I want to impress upon the house is that this government is not giving merely half-hearted support to the work as was alleged in the house yesterday by the hon. member for Nanaimo. In 1944-45 this government spent $338,428.08 on the research board. In 1945-46 we spent $502,009.76. Just a few moments ago I gave the figures of the amount that was spent during the past fiscal year which, up to February 28, 1947, amounted to $626,341.19.

Mr. SMITH (Calgary West): Will the minister permit a question?

Mr. BRIDGES: Yes.

Mr. SMITH (Calgary West): In other words, the increase in the amount spent on this board does not begin to keep pace with the increased revenue of the country, does it? I am speaking comparatively.

Mr. BRIDGES: Probably the hon. member knows the exact percentages. I have not worked them out; I do not know. Maybe he has; maybe he has not.

The hon. member for Nanaimo also made some reference to the expenditures which were being made on the Nanaimo station which, incidentally, I believe is very close to his own constituency and in which he is interested. In 1935-36 when this government took office we spent on the Nanaimo station $48,610; in 1936-37, $49,284; in 1937-38, $40,739; in 1938-39, $60,722; in 1939-40, $61,332; in 1940-41, $60,081; in 1941-42, $51,886; in 1942-43, $53,629; in 1943-44, $52,874; in 1944-45, $88,041; in 1945-46, $140,304 and in 1946-47 up to February 28, instead of up to the end of the fiscal year, $166,795. I believe—and I think the house will agree with me—that this shows conclusively that this government is not giving merely half-hearted support to the work of the fisheries research board. As a matter of fact one of the reasons why we have introduced this bill is to make a certain change in the administrative set-up of the board. We have done that because I found, as the minister in charge of the department, that the expenditures were running to such amounts each year that I felt some one person should be charged with responsibility of supervising, at least to some extent, the work of the fisheries research board.

In the past the fisheries research board has been comprised of, as was said a little while ago, a group of persons, two of whom represented the department, two represented the fisheries industry on the Atlantic coast, two represented the fisheries on the Pacific coast, and nine scientists. These men met annually once a year in Ottawa and outlined their programme for the year. It so happened that the assistant deputy minister of fisheries, Major D. H. Sutherland, acted as honorary secretary of the board. But what impressed me was the fact that the expenditures ran up to the figure of $600,000 and that no one person was charged with the responsibility of that amount of expenditure. It was for that reason that this section has been put in the bill.

The hon. member for Mackenzie (Mr. Nicholson) when he spoke a few moments ago referred to the fact that there was no representation on the fisheries research board from the prairie provinces. He said he hoped that the act would be amended to include representation on the board from the prairie provinces. I, of course, was not here in 1937 when the Fisheries Research Board Act was passed, but I assume—and this is only conjecture on my part—that the reason there are no members of the industry from the prairie provinces on the board, as set out in section 4 of the act, is that the federal Department of Fisheries does not administer the fisheries in the prairie provinces. I make that statement only as an assumption of my own. However I would point out that the distinguished chairman of the board, Doctor A. T. Cameron, professor of biochemistry of the university of Manitoba, does live in the city of Winnipeg. I assume that Manitoba can be regarded as one of the prairie provinces.

Mr. MacNICOL: Will the minister permit a question? Does the department not administer the fisheries in the Northwest Territories? In that area there are two great lakes from which vast quantities of fish are shipped, Great Bear lake and Great Slave lake.

Mr. BRIDGES: I quite agree with the hon. member. In these lakes the research board has done quite extensive research work in the past.

I would also point out to the hon. member for Mackenzie that we do maintain a central fisheries research station in Manitoba. From information I have received, not from the board itself, but from others, I believe that it is doing good work there.

A great many other remarks have been made concerning a great variety of subjects which I do not believe are really germane to the issue before the house, namely, the principle of the bill. It is not my intention to make any statement regarding the great variety of subjects which were discussed. I feel, as the hon. member for St. John-Albert (Mr. Hazen) does, that these matters can be discussed much more appropriately when the estimates are before the committee.

Just before taking my seat, I should like to reply to the hon. member for Charlotte (Mr. Stuart) and the hon. member for St. John-Albert regarding lobster hatcheries. The hon. member for St. John-Albert told the house exactly what did happen. I am not a scientist; I do not know the answer, but I do happen to know that when this subject of lobster hatcheries was referred to the scientists of the fisheries research board they did report adversely on the proposition. I should like to give both these hon. gentlemen the assurance that I shall see that further consideration is given to the matter.

I do not think there is any necessity of my going any farther at this stage. After the bill receives second reading, it is my intention to move that it be referred to the standing com-

mittee on marine and fisheries, and there will be ample opportunity to discuss it in detail.

Motion agreed to, bill read the second time and referred to the standing committee on marine and fisheries.

MERCHANT SEAMEN

PRESERVATION OF COMPENSATION RIGHTS ACQUIRED UNDER REGULATIONS

The house resumed from Wednesday, June 11, consideration in committee of Bill No. 181, to amend the Merchant Seamen Compensation Act—Mr. Chevrier—Mr. Macdonald (Brantford City) in the chair.

On section 1—P.C. 4755, July 17, 1945, revoked.

Hon. LIONEL CHEVRIER (Minister of Transport): May I be allowed to answer four questions which were asked on this bill yesterday? The hon. member for High Park (Mr. McMaster) asked what was the number of seamen who have taken advantage of the act. The answer is 285. He asked what was the cost. The answer is, there was no cost, because, under the Compensation for Merchant Seamen Act, employers are required to pay not only compensation costs, but cost of administration of the act as well. The hon. member for Cape Breton South (Mr. Gillis) inquired whether Canadian nationals on ships of foreign registry were covered. The act provides for a definition of "seaman", in section 2 (i). He will find there the answer to the question, namely, that seamen of foreign registry are not covered unless the ship has been demised to a Canadian or has been leased to or chartered to a Canadian corporation. It would be impossible to force others than Canadians to pay compensation. His other question was: What is the amount of compensation and what is the procedure? The act covers that clearly in sections 7, 30 and 25. In any of these sections he will find set out the procedure, notice that has to be given, to whom and the amount of compensation payable.

Mr. BROOKS: This bill in itself is simply for the purpose of reserving rights in respect of compensation acquired under the regulations, but like many other bills of this kind it has afforded an opportunity for a discussion of some other matters. I was not in the house on Wednesday when there was a general discussion of the bill, but I have read *Hansard* since and with all that has been said with reference to merchant seamen I most heartily agree. With a great many other members of the veterans affairs committee, I did feel that there should have been more opportunity, possibly not under this bill but in some other connection, to discuss the situation affecting merchant seamen.

These merchant seamen have been called the fourth branch of the service, and it was for this reason that the members of the veterans affairs committee considered it was a matter which should have been dealt with by that committee. In speaking of the fourth branch of the service, I should like to read what was said during the war by the then minister of transport. The Hon. J. E. Michaud on one occasion said that no other body of men in Canada's fighting services—

Mr. CHEVRIER: I do not wish to interrupt the hon. member or to curtail discussion, but it was agreed, when the bill came up for discussion before, that the remarks should be relevant to the section before the committee. We are now dealing with compensation for merchant seamen, compensation within the meaning of this act, which, as I understand it, is compensation in case of accident or injury. That is what the act of last session dealt with and this is to amend that act. I cannot interrupt my hon. friend if he deals with that, but if he goes beyond that I shall have to ask him to abide by the rules.

The CHAIRMAN: I do not think the hon. member for Royal has gone beyond the question of compensation. I do not know what he intends to do. He has read *Hansard,* however, and he will recall that the Chairman then ruled that only questions affecting compensation to merchant seamen would be in order.

Mr. BROOKS: There was no limit on the date—

Mr. CHEVRIER: Yes, there was.

Mr. BROOKS: As I understand it, this deals with compensation from 1945. The matter of compensation for seamen during the war, from 1939 to 1945, was discussed here the other day, and there was a general discussion. It was this matter which I intended saying a few words upon today.

Mr. CHEVRIER: Workmen's compensation.

Mr. BROOKS: It was compensation for men who had been injured or in respect of men who had lost their lives.

Mr. CHEVRIER: That is right.

Mr. BROOKS: Men lost their lives through accident from 1939 to 1945, and sometimes that loss of life was due to enemy action, while at other times it was due to some other cause. I do not think we can split hairs on this

question. As a matter of fact, I would say right here that there has been very little opportunity, practically no opportunity in this house since the session started, to discuss the matter of merchant seamen's compensation.

Mr. CHEVRIER: There have already been two opportunities.

Mr. BROOKS: I tried on a former occasion to discuss it and was declared out of order. The other day when we were discussing this subject I mentioned the fact that the veterans affairs committee did desire to take up, together with other matters, this very question of compensation for merchant seamen during the war from 1939 to 1945. At that time I said that the veterans affairs committee would have dealt with the matter on a broader scale if we had not had the intimation, if perhaps not the assurance, that some consideration would be given the question by the Department of Transport.

Mr. CHEVRIER: Certainly not from the minister.

Mr. BROOKS: The minister at that time said it was not from him. In that connection I did wish to quote from the pages of the veterans affairs committee's report, and I do not intend to take any longer than I can avoid, to show that it was a matter which the veterans in all parties in the house—and the Minister of Veterans Affairs can bear me out—felt should be considered. The veterans of all parties in the house considered that this question of compensation for men belonging to the fourth branch of the service, who suffered more in proportion than any other branch, should be taken into consideration, and it was the fact that we thought the Department of Transport was going to give consideration to these matters that more consideration was not given in the veterans affairs committee.

Mr. CHEVRIER: I am sure the hon. member would not blame the minister for that.

Mr. GREEN: But the minister tried to blame the committee the other day.

Mr. CHEVRIER: No. The minister tried to say to the hon. member for Vancouver South that he had some responsibility in the matter.

Mr. GREEN: Because he was on the veterans affairs committee.

Mr. CHEVRIER: Yes.

Mr. BROOKS: We are willing to assume our responsibility.

[Mr. Brooks.]

Mr. CHEVRIER: And the hon. gentleman replied that I knew nothing about the matter. I hope he has changed his mind since.

Mr. BROOKS: Who has the floor, Mr. Chairman? I would refer to page 396 of the report of the veterans affairs committee in 1946. At that time we were discussing the question of compensation and other benefits to the different civilian groups:

> Mr. Green: Take the case of the merchant seamen. Is it our idea that the officers of the Department of Transport would appear before the sub-committee? Because that is the one case I have in mind, and I think we should have these men right here in the main committee.... and not in the sub-committee.

The chairman at that time, who was the hon. member for Rosthern, said:

> On the point you mention, Mr. Green, I agree with you that we should have representations from the merchant seamen and also that the committee would want to hear from the Department of Transport. But the sub-committee in a lot of these things would be able to find out which witnesses would be most useful to the committee and it would assist in that way.

That is, it was the chairman's opinion that this sub-committee would be useful in picking out different witnesses, and so on. Then I quote also from the minutes of proceedings of May 14, 1946, after the committee was set up:

> The chairman reported that the steering committee recommended that the representations of ex-members of the R.A.F. ferry command, together with those of the V.A.D.'s and other members of the Canadian Red Cross Society and St. John Ambulance Brigade, and of all other civilian groups—

The merchant seamen were considered one of the civilian groups.

> —urging claims to benefits under veteran legislation, be referred to the sub-committee appointed to study the draft bill respecting civilian war pensions and allowances.

The CHAIRMAN: May I remind the hon. member for Royal that it has been agreed in the committee that we cannot refer to any benefits other than compensation to merchant seamen. The hon. member has read from a committee report which refers to V.A.D.'s, members of the Red Cross, and so on. I do not see how the question of workmen's compensation could affect them.

Mr. BROOKS: That was just to connect it up. My point is that a sub-committee was set up to study these matters affecting civilian groups, and I wanted to show that in the veterans affairs committee we did intend to study matters concerning the merchant seamen, of which compensation was one. Some question has been raised in this committee as

to whether this matter was brought up in the veterans affairs committee last year, and what action was taken. My point is that if we had not been told in that committee at that time that the Department of Transport intended to deal with this matter and provide compensation for these men, the veterans affairs committee would have done so.

Mr. CHEVRIER: In the hon. gentleman's discussion of the matter yesterday did he not say it was his understanding that the Department of Transport was to bring in a bill which would have to do with a veterans charter?

Mr. BROOKS: No, not with a veterans charter.

Mr. CHEVRIER: Then let me put it in this way. Did he not say it was his understanding that the department would bring in a bill to deal with compensation?

Mr. BROOKS: I have here exactly what I said. It is at page 4033 of *Hansard:*

Mr. Brooks: Was it not understood in the veterans affairs committee that the Department of Transport would bring in a bill which would give merchant seamen treatment commensurate with that given other branches of the service?

In other words, we were of the opinion that a bill would be brought in which would give merchant seamen the same treatment that was given other branches of the service. After all, the merchant marine has been called the fourth branch of the service.

Mr. CHEVRIER: I am sure my hon. friend would not want to attribute any blame to the Department of Transport if that department were not aware of that fact. Since the previous discussion I have looked at the evidence. I find that a witness was called and was asked about a certain bill, and replied that he knew absolutely nothing about it. The only bill I had in mind was the bill that is now being amended. That is the only bill that ever came to my attention, and certainly it is the only bill that I had in mind last session. It had to do with compensation, not in the general sense, but compensation for injuries or death resulting from accidents.

Mr. BROOKS: Then all I can say in that connection is that when the veterans affairs committee considered this matter it was not thinking of civilian compensation. The bill the minister has brought down deals with civilian compensation from 1945 on.

Mr. CHEVRIER: Not civilian.

Mr. BROOKS: I mean the merchant seamen, from that time on. But if we are going to say that the men who from 1939 to 1945, were recognized by various ministers of the crown as constituting the fourth branch of the service, the men who sacrificed more in proportion than those in any other branch of the service, are going to receive compensation only after 1945, I am satisfied that not a member of the veterans affairs committee would have agreed to it.

Mr. CHEVRIER: No one is saying that is all they are entitled to. I am not saying that, nor have I ever said it. I simply say the bill which was referred to in that committee was the very bill we are now dealing with.

Mr. BROOKS: Then, if the minister feels, as I am sure he does, that these men are entitled to more consideration, may I ask if it is his intention either now or in the very near future to bring in a bill which will do justice to these men?

Mr. CHEVRIER: Certainly it is not my intention to bring in a bill as an amendment to this act. I do not think this is the place to bring in a bill covering the items my hon. friend has in mind. My own view is that it may very well be a matter that should be studied. A number of things have been done for the merchant seamen since this act was amended last year. I hope it will be possible to do more.

Mr. BROOKS: We admit that. I am not going to emphasize this point further. I agree with the minister that we cannot amend this bill to do the things we think should be done, but here we are near the end of the session—

Mr. MACKENZIE: We hope.

Mr. BROOKS: We should be; and if anything is to be done for these seamen it must be done this session. Otherwise it will go over for another year, which will be the third year after the war. If the minister will say he will give serious consideration to bringing down a bill in the near future, and will study the situation with regard to these men, I shall have no more to say regarding the matter at the present time.

Mr. CHEVRIER: I cannot say any more than I have already said. If it will be of any assistance to the hon. gentleman I will add this, that as far as giving consideration is concerned I shall be glad to give consideration to anything at any time. I can go a step farther and say that I do not think a bill can be brought in at this stage of the session, because of the statement made by the Prime Minister some time ago in regard to the

number of bills still remaining on the order paper. It may be possible to do something in another manner. I am not prepared to say that cannot be done, but I do not want to commit myself on this bill at this time, as to what can or may be done, other than to say that I shall be glad to consider the suggestion made by my hon. friend.

Mr. CHURCH: This bill contains only one section, and its sole purpose is to preserve rights to compensation acquired under the regulations before the act came into force, and to continue under the act all proceedings taken under the regulations. I should like to have seen equality of treatment for all the seamen who served us in the last war. Canada is now the fifth trading nation of the world. You only have to read the report of the Minister of Reconstruction to see the growth of our shipping on our inland lakes, our rivers, the gulf and on the oceans of the world today.

First, I should like to see this provision made retroactive to the time before 1945. Second, while the minister may not be able to do much for them today, what is to be done for all these brave seamen? I suggest that during the recess of parliament he should consider making the regulations retroactive. He will be deluged with the facts concerning merchant seamen from almost every city and town of Canada, including those in the prairies, from where many of our best seamen have come, who served in the great war in the merchant marine.

In conclusion, may I say I do not see how the minister can ignore the storms we have on the upper lakes in the early spring and in the fall of the year. Two dozen men lost their lives in one year, 1927. I would ask the minister to consider, during the recess, this matter of aid to the brave men who sail the upper lakes.

In May, 1928, a statement was made in the house by me regarding brave seamen on lake Ontario, lake Erie, Georgian bay and the upper lakes who had lost their lives in the fall of 1927. These seamen were advancing the grain crop from the western provinces to the east, and many of them had been soldiers in the first great war. The towns of Owen Sound and Collingwood, and many other places along the inland waters, were in mourning for weeks. But all the men in the doomed ships could do was blow their sirens and get help from the United States life-saving stations.

I urge upon the government that they give better treatment to these brave merchant seamen, many of whom served in both wars. The minister who has presided over the Department of Veterans Affairs has given approval to generous bills for the soldiers in both wars; but let us not forget the brave seamen who bore the brunt of the battle of the Atlantic, and those also who ride the storms of the upper lakes, in peace as well as in war.

Mr. GREEN: If a seaman were injured in a port of the United Kingdom, by falling from a ship during a blackout, what compensation could he obtain? What could he expect to get if the accident took place before the order in council preceding this measure came into effect on August 1, 1945?

Mr. CHEVRIER: If the hon. member is referring to compensation in the nature of workmen's compensation arising from such an injury, under the law as we had it prior to the time the regulations came into force in 1945 he could not claim. He might be entitled to pension from enemy action or counter-action; but that is a matter with which the Department of Transport does not deal—although it is keenly interested.

Mr. GREEN: The case I have in mind could not be directly attributed to enemy action. Is no compensation available to a merchant seaman injured in the way I have indicated?

Mr. CHEVRIER: Not under this act.

Mr. GREEN: Or under any other act?

Mr. CHEVRIER: I know of no other act, because I am responsible only for the administration of this one. There may be other benefits from other departments with which I am not familiar. But in the department with which I am charged there is no claim, unfortunately, that the seaman could make under workmen's compensation legislation prior to July, 1945.

Mr. GREEN: The Minister of Transport is the minister responsible for merchant seamen.

Mr. CHEVRIER: In so far as the civilian aspect is concerned. The Minister of Transport is not responsible for all the gratuities and benefits to which they may be entitled under veterans legislation.

Mr. MACKENZIE: Perhaps I might be permitted to say a word in that connection. I have before me a document setting forth the reasons for retaining orders in council P.C. 133/510 of January 26, 1944, amended by P.C. 127/1111 of February 21, 1945; P.C. 109/2100 of March 28, 1945; and P.C. 148/5045 of July 18, 1945. It states that the number of eligible claims filed and paid to date were

1,583. The number of these claims paid to next of kin was 454; the number of these claims paid to seamen themselves was 1,129, and there were no eligible claims filed and outstanding. The total amount paid to date stands at $210,221.31.

Compensation is paid to any personnel of ships of Canadian registry, also to Canadians in ships of foreign registry, provided that the amount paid in such case is reduced by any amount which may be paid by the government of the country in which the said ship is registered.

Claims are still occasionally coming in, usually from next of kin who were not previously aware that compensation was payable, particularly where the next of kin are resident in countries released from enemy occupation.

With regard to the question as to why only seventy per cent is paid to dependents, it may be said that the purpose of payment of compensation for loss of effects to merchant seamen was originally to assist the seaman in replacing those effects in order that he might proceed to sea again. Therefore, at first no provision was made for payment to next of kin.

Then, however, claims were made by parents and others who had provided clothing, et cetera, to men who had gone to sea for the first time, and provision was made in order in council dated the 31st March, 1943, permitting the total amount payable to a seaman to be paid to his next of kin.

This was further amended by order in council of June 8, 1943, to restrict the payment to widow, children, father or mother of the person to whom the regulations applied, and also to restrict the amount to be paid to next of kin to seventy per cent of the total amount payable. It is thought that this proportion is fair when consideration is given to the intrinsic value of the used clothing.

The individual payments have been controlled by schedules of rates recommended by the committee on war risks insurance and bombardment compensation, which rates have been slightly changed from time to time, and which are graded according to the rank or rating of the seamen and whether the ship was engaged in foreign trade, home trade, or other trades, at the time of loss.

In the case of foreign-going vessels, the payments, according to the latest schedule, vary from a maximum of $100 for a rating in the victualling department below the rank of bedroom steward or waiter, to $450 for master. In addition, payments were made on account of instruments or tools proved to have been carried by masters, officers, carpenters, etc., bringing the maximum for a master to $675.

In order, however, to bring the matter to a conclusion at a reasonably early day, it has been recommended that an advertisement be placed in the press to inform all interested persons that on and after a certain day no further claims for compensation will be admitted.

Mr. GREEN: Is the Minister of Veterans Affairs referring to claims arising out of injury caused by direct enemy action?

Mr. MACKENZIE: Loss of effects.

Mr. GREEN: It does not include claims where the loss does not arise out of direct enemy action?

Mr. MACKENZIE: I believe it does.

Mr. GREEN: What provision is there for the protection of a merchant seaman injured, as I said earlier, by falling from a ship in port, not due to enemy action?

Mr. CHEVRIER: If the hon. member wishes to know whether the legislation is retroactive, I said the other day that it is not, and I gave the reasons for its not being so. I cannot do any more than that.

Mr. GREEN: I realize that, but here is an injustice which must be remedied. I am not blaming anybody for trying to evade responsibility. As I said the other day, these merchant seamen have fallen between the two departments, with the result that they are not properly protected. I do not think there is any order in council or act which was in effect throughout the war or since the war covering the merchant seamen who was injured through other than direct enemy action. The restriction in the Civilian War Pensions and Allowances Act, which was passed last year and which, I believe, just followed prior orders in council, was that it should be as a direct result of enemy action or counter-action taken against the enemy. Unless the merchant seaman qualifies under that provision, he gets no compensation.

I think the Minister of Transport will agree that there should be on our statute books some law protecting these men just as there is a law protecting the men who served in the navy, army and air force. His predecessor, the Hon. J. E. Michaud, stated in an advertisement which appeared in *The Searchlight* of February, 1945, a publication put out by the Canadian Seamen's Union.

They have earned the title of the "fourth arm of the fighting services."

That is only one sentence from a long advertisement praising the merchant seamen. I do not think the Minister of Veterans Affairs can point out any provision protecting the man who was injured other than as a direct result of enemy action. I would also ask him what protection there is for the merchant seaman who suffered disability through disease, for instance the man who contracted a tropical disease and is permanently disabled. My understanding is that he gets absolutely no protection. Furthermore, I do not believe the man who contracted tuberculosis is protected even under the bill before the house today, because that is not considered to be an occupational disease. The Minister of Transport will correct me if I am wrong in that statement.

These men should be covered in some way and the responsibility rests with the two ministers now before us. Frankly, I should like to see the Minister of Veterans Affairs made responsible for protecting these merchant seamen who suffered injuries during the war. It is a little out of the line of the work of the Department of Transport and I think this protection should be handled by the Department of Veterans Affairs. In the veterans affairs committee last year this question was side-tracked in some way or another because the two departments were concerned, but every member of that committee was in favour of giving the merchant seamen the same protection given to the men in the other three forces.

Mr. MACKENZIE: I was going to enumerate the benefits they receive but I think I am out of order.

Mr. GREEN: We are restricted to questions of compensation. What compensation is payable to the seaman who was injured before August 1, 1945, by other than direct enemy action?

Mr. CHEVRIER: I do not want to prolong the debate, but does not the difficulty to which my hon. friend refers arise out of the fact that from the inception the merchant marine were considered as volunteers as opposed to the other armed services? That certainly was the attitude taken by my predecessor and that was the attitude taken on more than one occasion in the British House of Commons. A statement to that effect was made in this house. The merchant marine were given certain benefits, such as those under the workmen's compensation regulations which were enacted in 1945.

I do not say this to start another debate, but my hon. friend has pointed to certain differences which exist between the armed services and the merchant navy. I agree that there are some differences and perhaps they should not exist, but that is a fact. I should like to place on the record a question which was asked in the British House of Commons on February 27, 1945, by Sir W. Wayland, just at the time we were considering enacting these regulations. I quote:

> Sir W. Wayland asked the parliamentary secretary to the ministry of war transport whether His Majesty's government propose to accord to the personnel of the merchant navy any recognition of its splendid services on the same lines as the services gratuities.

The minister replied as follows:

> His Majesty's government have frequently expressed their deep appreciation of the magnificent services rendered to the nation by the officers and men of the merchant navy. But they must take into consideration the fact that these officers and men have been employed throughout the war at industrial rates of wages, negotiated and settled by the national maritime board. In view of this fact, the government consider that they would not be justified in granting to the men of the merchant navy the gratuities which the services will receive.

Mr. GREEN: That does not refer to compensation.

Mr. CHEVRIER: I tried to limit the debate to workmen's compensation, but my hon. friend, as well as the hon. member for Royal, discussed other benefits.

Mr. GREEN: We were not allowed to discuss other benefits such as university training, vocational training, civil service preference and so on. Those were ruled out of order and we have been able to discuss only compensation.

Mr. CHEVRIER: Compensation other than workmen's compensation is certainly another benefit.

Mr. GREEN: Compensation for injury.

Mr. CHEVRIER: There is more than one kind of compensation; there is workmen's compensation; there is compensation for injuries from enemy action and counter-action; there is detention allowance which is a compensation. There are at least five or six different forms of compensation.

Mr. MACKENZIE: Exactly fourteen.

Mr. CHEVRIER: The Minister of Veterans Affairs corrects me and says there are exactly fourteen. When these regulations were put into effect under the War Measures Act the Minister of Veterans Affairs then made a statement which I should like to place on the record. I think it answers to a large extent the objections raised by the hon. member for Vancouver South and perhaps explains the

misunderstandings, if any, which have arisen. I should like to quote what the minister said.

Mr. GREEN: Is that the United Kingdom minister?

Mr. CHEVRIER: No, the present Minister of Veterans Affairs.

Mr. GREEN: When was this?

Mr. CHEVRIER: This is in 1945 when the regulations covering workmen's compensation were enacted. What we are doing now is to amend the act that gave legislative effect to those regulations. The minister said:

> Without doubt our merchant marine, which has grown from 37 foreign-going ships before the war to 190 now has made a magnificent contribution to the cause of the united nations. Moreover, the risks taken by merchant seamen while serving in dangerous waters and the arduous conditions under which they frequently served are universally appreciated.
>
> It is necessary, however, to recognize that merchant seamen do not serve under the same conditions as men of the Royal Canadian Navy. They are not required to enlist for the duration of the war. They are employees of the steamship companies, free to take or leave employment when and as they wish, and are paid industrial rates of wages for stated hours of work, negotiated and settled with the employers by their own unions. Without detracting in any way from the gallantry of the men who go down to the sea in ships and brave the lurking menace of the submarine, it is also important to note that they receive a substantial war risk bonus in addition to their basic rates of pay for voyages in dangerous waters. As a result, the rates of pay of all men, except a number of officer categories, in the merchant marine are considerably higher than those paid to corresponding rates in the Royal Canadian Navy, even allowing for the fact that the remuneration paid to officers and men in the merchant marine, except war risk bonus ,is subject to income tax, while men in the fighting navy below the rank of officers are completely exempt.
>
> Therefore to make available to merchant seamen gratuities and reestablishment benefits on the same scale and basis as those provided for ex-members of the armed forces would clearly constitute unjust discrimination against the armed forces who had to give up their freedom and enlist for the war's duration for service under military discipline and at a rate of pay not determined by commercial consideration.

That is I think, the basis, not only in the United Kingdom, but in Canada, for the position as we find it today. I am not going to argue with my hon. friend that the men of the merchant navy are not entitled to additional benefits, but until that position is changed I say that nothing can be done. I have told the hon. member for Royal that I shall give consideration to what he said. I do not think a bill could be brought down, but it may be possible to find some other method of adding to what has already been done. Since that statement was made, a number of things have been done. My colleague the Minister of Labour brought in a bill having to do with unemployment insurance, and that covered merchant seamen after the manning pools were closed. I can think of one or two other things, but I do not want to rule myself out of order, Mr. Chairman, because I know the hon. member was not allowed to go beyond the question of compensation. I simply wanted to make that statement to explain the position as it is now.

Mr. GREEN: That submission might be some answer to the question of gratuities but we are not arguing about gratuities today. The statement read by the Minister of Transport was never intended, I am sure, by the Minister of Veterans Affairs to mean that a merchant seaman who was permanently injured should not get compensation. I do not think the Minister of Veterans Affairs had that in the back of his mind at all. There remains this injustice, that many of these men were permanently injured and that some lost their lives, not through direct enemy action, but by falls on the ship and in many other accidents that occurred, or through some disease, and they have no protection and their dependents have no protection. That is an unfair situation. I am sure that the Canadian people would not want that condition to continue. I do not think the Minister of Veterans Affairs is in favour of these men and their dependents going without proper compensation. We are trying to emphasize to the ministers and to the house that something must be done and done quickly to remedy that situation. The members from the central provinces may not run into these cases so frequently as those of us do who represent ridings on the seacoast, but we are meeting these men repeatedly, men who have been permanently injured or the dependents of men who have lost their lives, and it is not fair that there should not be compensation for these people. Most of them were not professional seamen. They went to sea during the war. Many boys left school to go into the merchant navy and did a grand job, and now they should be given every consideration. I do not see any reason why the two ministers cannot between them work out some scheme that would protect those men and the dependents of those who lost their lives.

Mr. MacINNIS: It seems to me that the protection which has been mentioned by the hon. member for Vancouver South is quite important. I think he has made a very good case for it. I mentioned a case yesterday or

the day before when this bill was up for second reading, and I am sure there are many others of a similar nature in my own city of Vancouver, and something should be done to provide for such cases. It seems to me that when we say something should be done we must mean that the act should be made retroactive until the beginning of the war in 1939. Whether that is possible I do not know, but if provision is to be made in this act for these people it can be done only by making the act retroactive. Those who know the law much better than I do or have, at least, been better trained in it, may have a better way of doing it, but it seems to me that making the legislation retroactive is the way to do it. The minister should give an undertaking that he will see whether it is feasible to do that. I do not suppose he can do it without some consideration. If I or any one of us were in his place I do not suppose we would care to do it without consideration, but if he would give that undertaking to the committee I think it would meet the situation.

Mr. GILLIS: I asked the minister a couple of questions when he first came before the house with his estimates.

Mr. CHEVRIER: I answered the questions asked by the hon. gentleman before he came into the chamber.

Mr. GILLIS: I will read the answers. Very likely they are not satisfactory.

Mr. CHEVRIER: The answer to the second question will, I think, be fully satisfactory.

Mr. GILLIS: The reason I am interested in the mechanics of an injured seaman making application is that I have a specific case about which I have been corresponding with the minister up to as late as February 10 of this year, and to the best of my knowledge it has not yet been straightened out. This merchant seaman landed in Newfoundland in pretty bad shape. He left his ship and proceeded to hospital, and between the time of his leaving the ship and getting into hospital he was discharged from the ship. When he made application for compensation it was denied on the ground that he was not an employee on the ship at the time he made his application.

Mr. CHEVRIER: I do not recall the case. Was this seaman injured on the ship?

Mr. GILLIS: I am not quite sure. He must have been injured because he applied for compensation. His name is William Muise. I wrote the minister about the matter and he replied that it was being investigated. The man has been waiting since last February and has received nothing yet.

I agree with the hon. member for Vancouver South that this compensation should be made retroactive. If the legislation is to go through on its present basis I think the minister might just as well not have brought it in.

Mr. CHEVRIER: It was brought in and approved last year.

Mr. GILLIS: I know, but you have an opportunity now of amending the act. Most of the cases that will come under the act go back to 1940 and up until 1945. Provision has been made for pension for combat veterans, but the difficulties in establishing a case for pension for a merchant seaman are much greater, and the fact that he is entitled under the Pension Act gives him little relief. I had one case of a chap who lost a leg through falling into the hold of a ship during a black-out. I corresponded with the Minister of Veterans Affairs about it and a lot of sympathy was expressed, but that fellow still has a leg off and has not received a pension. He is a young man and cannot secure employment and cannot buy a leg. If pension entitlement was not available to this man he should be made eligible to compensation under the present act, to say the least, because during the war the hazards aboard ship were much greater than they are today. Equipment was poor and there were black-outs—

Mr. MACKENZIE: How was the leg lost?

Mr. GILLIS: This man fell from the deck into the hold of the ship. The leg was so badly injured that it had to be amputated. Unfortunately, between the time of his injury and the time that he made application for his pension the captain of his ship passed away and essential evidence which might have been obtained from the captain of the ship was not forthcoming. The entry in the log book was taken as the official record, but it was mixed up to some extent, with the result that this boy has not been able to establish anything.

Mr. MACKENZIE: Could not the black-out be construed as enemy action or as the result of enemy activity?

Mr. GILLIS: There were other complications. I do not want to go into the whole story; the minister has it. What I am trying to say is that this boy should be brought under the compensation act. I believe that some compensation pension should be given to him. Many cases are outstanding. As the hon. member for Vancouver South has pointed out, there are many disabilities acruing from disease which could be attributed to the occu-

pation that these men followed. At least we should be as fair as the provinces are. In the provinces they have compensation for industrial diseases. The provision should be written into the national act.

Mr. CHEVRIER: The provinces do not make their compensation retroactive.

Mr. GILLIS: They have been in effect for many years.

Mr. CHEVRIER: When they came into force they were never made retroactive.

Mr. GILLIS: I would not know; that is pretty much history. The acts have been in force for a long time. I know they provide for a lot of industrial diseases which are peculiar to the industry in which the men were and they are compensated for it. I think the major portion of the permanent disabilities from which merchant seamen suffer arise out of disease or out of accidents rather than from enemy action. I would strongly urge the minister to do the thing right if we do it at all. It is much better not to do it at all than to enact something which leads the merchant seamen to believe that there is some provision for them and, within the next two or three years, have the minister and hon. members getting a shower of correspondence trying to unravel cases that are not covered. If we made the act retroactive to at least 1940 and provided for diseases which were peculiar to the occupation or calling of the merchant seamen we would be doing something that would not create a lot of administrative difficulties later or bring about a lot of correspondence explaining why this was not done.

As I see the matter now, I do not think there is much use in amending the act as it is unless these two provisions are made. I was a member of the veterans affairs committee and took quite an active interest in the merchant seamen, because I come from a coast and I run into a lot of them. I think it was mixed up in the veterans affairs committee the last time. I had a distinct recollection that when the auxiliary services' problem was passed over to a sub-committee of the main committee it was understood that merchant seamen were to receive the same consideration as the regular service personnel. Unfortunately, when that sub-committee reported back it made no recommendations at all on the matter of merchant seamen because, as the chairman of the sub-committee said, it was to be handled by the Department of Transport, and we allowed it to go.

Without taking up any more time, I would strongly urge that the two points with reference to retroactivity and diseases be brought under this act while we are amending it.

Mr. GREEN: What method is used now in checking these injuries? For example, is use made of the log books of the ships and of the records kept by the doctors in the various ports at which the ship calls?

Mr. CHEVRIER: Yes.

Mr. GREEN: Suppose a man is injured in Shanghai or in Liverpool, what system is used for getting back the record of the injury?

Mr. CHEVRIER: The man would probably be examined, and the master of the ship makes his report of the accident. There is also a record in the log book. Under the act as it stands today, if there is an accident the details are recorded. That is why it is difficult, if not impossible, to make this matter retroactive, because of the inability to obtain evidence in order to substantiate the claims.

Mr. GREEN: The same kind of records were kept by the masters of the ships during the war, were they not, and the same records would be available from the doctors in the different ports? Is that not so?

Mr. CHEVRIER: I am not in a position to say. In addition to what I said a moment ago, this act is on an insurance basis. By that I mean that money is paid into the fund—

Mr. GREEN: By the shipping companies?

Mr. CHEVRIER: —Yes; and in order to make it retroactive you would have to ask the ship owners to pay into the fund moneys that they certainly would not want to pay in view of the manner in which compensation is awarded. Assessments are payable under the act on an actuarial basis, I presume, and to upset that now and ask the ship owners to pay into that fund money which would cover any accident which took place from 1939 to 1945 is something that would be almost impossible of accomplishment.

Mr. GREEN: My own opinion would be that the country should pay for these injuries that were suffered during the war years. I agree that it would not be fair to go to the companies now and say that they must pay compensation. I think it is an obligation of the nation and the money should be paid by the country. If the act could not be made retroactive to cover these cases another solution of the problem might be to amend the Civilian War Pensions and Allowances Act to make it applicable. It is much too restricted now. That act contains a provision that funds

can be paid only where the injury is received as a direct result of enemy action or counter-action taken against the enemy. These men could be covered by that act. There is another provision in the act which is much too stringent, namely, that application must be made within one year of the occurrence of death or disability. That is causing great hardship now even in cases where there was an injury as a direct result of enemy action. But there are these two alternative ways of meeting the situation: first, by making the compensation act retroactive and, second, by amending the Civilian War Pensions and Allowances Act.

Mr. GIBSON (Comox-Alberni): Apropos of what the hon. member for Vancouver South has said, it has been suggested in the public accounts committee that we set up a royal commission to take care of the claims of Japanese citizens suffered by reason of the war or through enemy action. Probably the same course could conceivably be followed in taking care of what, I am sure, has been serious injustices which have taken place among the merchant seamen.

Section agreed to.

Title agreed to.

Bill reported, read the third time and passed.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

SUPPLY

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

DEPARTMENT OF AGRICULTURE

Experimental farms service—

13. Experimental farms service. administration, $97,448.

Mr. SHAW: While we are on this item, there is one matter to which I should like to give a moment's consideration. For some twenty years it has been my privilege to live among and be associated with farmers located in that grey wooded soil area, more particularly west of the Canadian Pacific line of rail between Calgary and Edmonton. During those years I have been able to develop some appreciation of the problems which confront those farmers, and have felt that the government, probably through its experimental farms and stations, should be giving a great deal more consideration to a study of the problems that are found where farmers are carrying on in those grey wooded soil areas. It was with a great deal of satisfaction that I learned on March 17 of the government's intention to establish two experimental sub-stations in Alberta. One, I understand, is to be located at McLennan, to operate in connection with the experimental station at Beaverlodge, but at that time no decision had been reached with respect to the location of the second sub-station. I should like to ask the minister if a location for the second station has been decided upon and, if so, what progress has been made in its establishment. May I also ask if he will give us a little more information than was given on March 17 with respect to the type of work these sub-stations will be primarily concerned with?

Right Hon. J. G. GARDINER (Minister of Agriculture): Both types of soil are, of course, to be found at the Beaverlodge station. I do not think the second one has yet been established; at least we have no record of it here, and I am quite sure it has not been established.

Mr. SHAW: Then, may I urge upon the minister what I regard as the urgent necessity for action with respect to the early establishment of this second experimental station. As I say, I have been very close to the problems confronting the farmers in that area, and I realize what it will mean to them if the department gives some study to the problems connected with production there. Incidentally, it is a vast area, covering thousands of acres and including hundreds of farmers. If something can be done to enable them to increase production it will not only give them greater security but add immeasurably to the productive capacity of western Canada.

Mr. GARDINER: I have just located the information, and the answer I gave is correct. A survey is being made of the grey soils area, but the location has not yet been established, and will not be until the survey has been completed.

Mr. SHAW: Then, perhaps I may go one step farther before leaving that matter. I have given a great deal of thought to the matter of the location of this station, though, of course, I realize more will be required than just my expression of opinion; and I would suggest to the minister that the Rocky Mountain House district being the centre of that area between Calgary and Edmonton, that would be an ideal location for a station working out of Lacombe. It has a good all-weather road, and is right in the heart of the district.

Mr. REID: I understand that in March of this year the Fraser valley turkey im-

provement association petitioned the minister or his departmental officials for the establishment of an experimental station or for research to be undertaken in connection with the problems the turkey breeders are now facing in connection with feeding and diseases. While I am asking the minister if consideration has been given that appeal, I wish to draw to the attention of hon. members from all provinces the fact that it was in the riding I have the honour to represent that the first mammoth, big-breasted bronze turkeys were hatched, which have since spread all over Canada and the United States. We hear people speaking about the turkeys of the prairies, of Ontario and elsewhere, but it was to county line road, Langley municipality, that Mr. Joseph Throsseld brought foundation stock from the old country. Might I also draw to the attention of hon. members from the prairies, particularly Alberta, the fact that in 1926, 1927 and up to 1930 and perhaps a little later, turkeys were judged in that province by the feathers, not by the breast at all. At that time most of the turkeys throughout Canada were wedge-shaped. But Joe Throsseld, who lived in my district, brought this foundation stock to British Columbia, and since then his stock has spread all over Canada and the western United States, and has been the means of building up the great turkey industry, both in the United States and in this country.

We have reached the point in the lower Fraser valley, and I suppose the same condition obtains on Vancouver island as well, where in 1946 the turkey production increased to a million birds, and it is ever increasing. We have made the eating of turkeys so popular that most restaurants that know anything at all about serving the public are now buying turkeys instead of other poultry, because they find they can pay the increased price for turkeys, and make more out of those turkeys than they can by buying ordinary fowl weighing from three and a half to seven pounds.

They have a live association out there, but they are in some dilemma in connection with disease and feeding. They believe the industry is important enough to warrant some research being done by the Department of Agriculture. They appeal to the Minister of Agriculture and the department, and I now ask the minister if any decision has been arrived at and, if so, if anything is to be done?

Mr. GARDINER: The hon. member has asked if anything has been done or is to be done. I presume that he asks his question in connection with the broad-breasted turkeys.

Mr. REID: Yes.

Mr. GARDINER: There has been some work done, largely in connection with marketing conditions. That comes under Mr. Shaw's branch, which we have not yet reached. However, that work is largely in connection with promoting the sale of broad-breasted turkeys, as compared with other types, for the very reasons just given by the hon. member. I am pleased that the hon. member for New Westminster has taken the opportunity on this occasion to speak of the origin of the broad-breasted turkey and to call to the attention of the committee the importance of raising as many as possible of these on the farms across Canada.

Mr. HERRIDGE: I wish to say a word on this item. First of all, on behalf of the farmers I represent I should like to express appreciation for the work done at the experimental stations at Summerland and Invermere. The work that has been done for years at those stations has been of tremendous value to the fruit and vegetable industry in the interior of British Columbia. We all recognize that.

At the same time the farmers feel that those stations cannot adequately serve the Kootenay, Slocan and Trout Lake areas, because they are operating under different conditions. In the Okanagan and Summerland areas they have experimental stations which serve an arid country requiring irrigation, and at Invermere we have an experimental station serving a similar dry country requiring irrigation, but much lower winter temperature. In the Kootenay, Slocan and Trout Lake areas we have a much more humid climate, and the other conditions are quite different.

The farmers in my district have felt for many years that if they are to be served satisfactorily, because of the variation in soil types and in climatic conditions there should be at least an illustration station established somewhere in the Kootenays.

Some of our apple varieties are different from the Okanagan, as well as our other fruit varieties. In addition to that, we have a number of new settlers in localities which have not been previously cultivated to any extent. On their behalf I would ask the minister to consider the establishment of an illustration station to serve the area which I represent, and which covers about 30,000 square miles.

Mr. McLURE: Last night when we were on this item the minister referred to the appointment of the experimental superintendent at Charlottetown, whose appointment was not through the civil service commission, as the minister stated before, but by a special com-

mittee called in for the purpose. May I have the names of the committee?

Mr. GARDINER: The committee was appointed by the civil service commission. The following are the names of the members of the board of review convened for the consideration of an appeal in respect of the appointment of the superintendent of an experimental farm, grade II, for the Department of Agriculture at Charlottetown, Prince Edward Island, in connection with competition Number 4794.

Mr. G. E. B. Sinclair, general executive assistant of the Department of Mines and Resources, was one. Mr. Sinclair was representative of the professional institute of the civil service of Canada. Mr. Tinney, who appealed the appointment, requested a representative of the professional institute, and the appointment was that of Mr. Sinclair. Mr. C. V. Putman was the representative of the civil service commission, and was chairman of the committee. Mr. Putman is no longer with the civil service commission, although he was at that time. Mr. J. C. Maynan was representative of the Department of Agriculture. Mr. Maynan is chief supervisor of the illustration stations experimental farm service and was chosen, not by the department but by the civil service commission.

Mr. McLURE: Is it customary for the civil service commission always to call in someone to make recommendations with regard to these matters? I thought the commission did that work themselves. If they have always to call in a tribunal to settle an appointment in positions of the kind to which I am referring, then what is the benefit of having the civil service commission?

Mr. GARDINER: The job of the civil service commission is to appoint persons to the civil service. That is their primary responsibility. Once those persons are in the civil service, then, of course, they are part of it and can have promotions from time to time. Some of those promotions are more or less automatic, while others are made in a different way.

In so far as this particular promotion was concerned, there was, first, an examination of all those who were competent to fill the position, made by the department's own officials. They selected the man who now has the appointment, and recommended him for the appointment to that position. As a matter of fact they were prepared to put him into the position on the responsibility of the department.

Then the gentleman who was acting in Charlottetown and who had applied for the position raised the question as to whether the appointment was being properly made. The provision is that that request goes to the civil service commission, to ask for a re-examination by the commission. The commission then appoints a committee to make an examination into the qualifications of the different persons being considered. That committee recommended the same man as the departmental officials had previously decided should have the appointment. He got the appointment.

Mr. McLURE: This appointment still does not look very clear. I have one other question. How many applicants were there in addition to the one who got the appointment yesterday, and the assistant superintendent who was appointed in August last? Who was the successor to the man in Fredericton? This appointment should have been made in February last, but it was carried over for nearly five months longer. Most of these appointments are made within six months after the man in the position has been retired, but they carried on and led this man to believe he was to be superintendent. There seemed to be a nigger in the woodpile.

Mr. GARDINER: What happened was what almost has to happen in any case where there is a vacancy. The superintendent is retired, and the natural person to take charge until the appointment is made is the next in line on that particular farm. This man who was the assistant did take charge, of course, under the direction of the department. Applications were asked for from the maritime provinces and four were received. The gentleman who received the appointment was chosen from among those four as being the best suited to take charge. No one has been appointed to take his place at Fredericton. One reason why there was so much delay in the appointment at Charlottetown was that the assistant superintendent himself made a protest with regard to the appointment. A committee had to be appointed and the whole matter was reconsidered. When it was reconsidered his standing was not as high as it had been placed by the department itself.

Mr. McCULLOUGH (Assiniboia): The item under discussion is for $4,100,000, which represents quite a considerable amount of taxes to be taken from the Canadian people. Under the experimental farms service the federal government has set up experimental stations and illustration units throughout the country. These stations can be most valuable

to our farm people. What I am concerned over is how to bring these stations into practical use so that we may have better agriculture.

At the present time these stations are not giving as great benefit to our people as they would if, for instance, our school children were taken to them. Quite often we may not be able to get the older farmers to realize the practical application of scientific agriculture and therefore the best step to take would be to try to attract our young people. I would suggest to the minister that he seek an appropriation and work out a plan whereby more of our school children may be taken to these experimental farms and illustration stations so that they may become familiar with what is being done and utilize the knowledge they obtain.

Mr. GARDINER: We are not considering an item of $4,100,000; the particular item we are considering is for $97,448. We have not yet reached the central experimental farm item or the item dealing with branch farms and stations and illustration stations. I wonder if we could stay with administration until we get cleared up?

The DEPUTY CHAIRMAN: We are dealing with item 13.

Mr. CARDIFF: According to the particulars on page 87 of the main estimates there seems to be a new appointment of agricultural architect, $3,450. What are his duties?

Mr. GARDINER: One of his duties is to plan the farm buildings which are erected at experimental farms across Canada, but his principal duty is to draft plans, which are distributed free of charge across Canada, for farm buildings. These plans are what we consider to be the most suitable buildings for certain purposes.

Mr. ZAPLITNY: Is it the intention of the department to open any new experimental stations or sub-stations?

Mr. GARDINER: I wonder if we could wait until we reach that item.

Item agreed to.

Experimental farms service—

15. Branch farms and stations and illustration stations, $2,869,586.

Mr. ZAPLITNY: Perhaps I could get an answer to my question now.

Mr. GARDINER: The only sub-stations under consideration at the present time are those in the north country, one at Yellowknife and the other at Aklavik.

Mr. ZAPLITNY: Are there no new stations to be opened in Manitoba?

Mr. GARDINER: There is to be one in the area east of Melita in the southwest corner and another one up in the north, I presume somewhere in the area about which the hon. member for Dauphin is concerned.

Mr. McGARRY: Is the department considering establishing an additional farm in Inverness?

Mr. GARDINER: There has been no further decision made since the visit was made to that area.

Mr. MacNICOL: Is the farm at Aklavik to be located at the former farm of Doctor Livingstone?

Mr. GARDINER: The location has not yet been decided upon, although the farm of Doctor Livingstone is under consideration. It is to be an arrangement between the Department of Agriculture and the Department of Mines and Resources, but the final decision has not yet been reached.

Mr. McCULLOUGH (Assiniboia): Without my repeating what I said, would the minister indicate whether his department is considering trying to get more of our children to visit these experimental farms and illustration stations?

Mr. GARDINER: There is some question as to where the responsibility rests for getting the people to the experimental farms. When I was much younger than I am now and living in Ontario I remember the excursions which were run to the experimental farm at Guelph, which is a provincial undertaking. Everyone in the section of Ontario in which I lived looked forward to that day and most of the families were represented in the excursions.

Mr. GRAYDON: With clothes-baskets full of cheese.

Mr. GARDINER: Yes. Ever since I have been in western Canada I have wondered why we did not make more use of our experimental farms. When I was in the provincial government I attempted on many occasions to encourage people to go and I tried to organize the same thing. There are some people in the area in which I live who are active in that direction, and particularly in the Abernethy district which was the home of the late Hon. W. R. Motherwell. Those people make up little picnics and go to the experimental farm quite regularly and we can see the results in the farming around the district. I quite agree that it would be a good thing to have not only the school children but the adults as well go and look over what is being done on these farms. When I was west the last time I took

occasion to visit Indian Head experimental farm myself and I know that, just from looking over the farm for an hour or two and seeing what was about the buildings in the way of live stock, one does gain a good deal of valuable information. I quite agree that everything possible along that line should be done. We have not carried out systematically any organized plan to bring that about, but I think we should give consideration to it. I welcome the suggestion of the hon. member.

Mr. ROSS (Souris): This is quite an increase, some $574,000. I notice on page 89 of the main estimates there is a list of superintendents and assistants. How many new experimental branches are to be set up?

Mr. GARDINER: Actually there is a reduction in the vote. When I was speaking in a general way on the administration item I called attention to the fact that, since 1939 when we went into war, the department has been drawing on the funds of P.F.R.A. for certain work which usually is financed direct under the experimental farms vote. Last year we made a change. The explanation that is given here would indicate an increase in the vote for branch farms and illustration stations; but when the whole transaction is taken into account, involving expenditures last year as well as this, there is a reduction in this particular item, while the vote for prairie farm rehabilitation remains exactly the same.

Mr. McIVOR: On this vote for branch farms and sub-stations I should like to pay my tribute to the superintendent of our sub-station west of Fort William. At first the farmers were a bit lukewarm toward it, but now the influence of that sub-station pays for itself several times over in the raising of grains and grasses and fruits and vegetables, and especially in the use of fertilizer. The farmers now realize that the use of fertilizer pays for itself over and over again. When a farmer takes his wife out to see a field where fertilizer has been used he stands up and says: This is the result of using fertilizer when you thought we were wasting money.

Mr. ZAPLITNY: I want to come back to the question I asked earlier. Would the minister indicate if he would be prepared to give consideration to the opening of a pilot plant for flax fibre experimental work in the Dauphin area similar to the one opened at Portage la Prairie? If such a plant were established in the Dauphin area it could do a great deal of good work. As the minister is probably aware, the Dauphin area is one of the best farming areas in Manitoba and a good deal of flax is now being grown. On page 99 of the minister's report there is a brief account of the work done by the pilot flax mill at Portage la Prairie, and it would appear that the same type of project would be very desirable for the Dauphin area.

Last year I referred to two airports, one on each side of the town of Dauphin, and I urged the minister to secure one of these airports for an experimental farm or sub-station. Since then, one of these airports has been sold, but there is still one left and I would suggest that if anything along the line of an experimental station is being considered for that district it would be wise to secure some of the buildings that are left at one of these airports because, once they are torn down, it would mean much more expense to build them up again. They are excellent buildings which could be easily transformed into the type of buildings required for an experimental station.

Mr. GARDINER: The pilot station at Portage la Prairie is the only one we have in western Canada for carrying on experimental work in connection with fibre flax. We did carry on experimental work in the production of hemp at a much earlier stage, before my time as minister. One reason why Portage has been chosen for this pilot flax mill is that the soil and all other conditions there are more favourable for trying out fibre plants of any kind than can be found anywhere else except in the irrigated areas such as around Lethbridge, where you can apply the water. The conditions at Portage are considered most favourable, and it is hoped that it can be established that fibre flax can be produced satisfactorily in such an area. We are satisfied that if we cannot prove it can be produced satisfactorily there, there is nowhere else in western Canada outside of limited irrigation areas where it could be produced satisfactorily, and until that experimental work is completed, there would be no reason to establish pilot plants to determine whether fibre flax can be grown successfully in less favourable areas.

Mr. ZAPLITNY: In the report mention is made of cooperative experimental tests being conducted at the illustration stations at Arborg and Dugald. Would the minister indicate what the degree of success has been at these points? If such a test were successful at Arborg it would be a sure thing in the Dauphin district.

Mr. McCULLOUGH (Assiniboia): Following along the line taken by the hon. member for Dauphin, I think the minister is aware that in the southeastern part of Saskatchewan in the constituency I represent, certain experi-

ments are hoped to be carried out whereby we can utilize flax straw. That would not be a fibre flax. But in past years Americans have been coming over and buying baled flax straw, shipping it out of the country and processing it into certain types of paper. Has the minister any information in regard to experiments and work along that line?

Mr. GARDINER: The experiments that are being carried on are not exactly what one might think by speaking just in terms of fibre flax. Fibre flax is, of course, for the making of the finer varieties of cloth as well as for making rope, twine and that sort of thing. But the experiments that are being carried on at Portage la Prairie more or less recognize the fact that, under the climatic conditions we have in western Canada, that type of flax cannot be grown. What we are attempting to do is to establish some other uses for the fibre, not only of the flax that is being grown as a fibre flax at Portage, but also of the flax that grows generally. An attempt is being made to establish that it can be successfully used for cigarette paper, which is in great demand and which is made from other products at the present time. Then some experiments are being made as to the utilization for making wallboard for building purposes. The experiments are not along the line of just using the fibre flax for the ordinary purpose for which fibre flax is used; its purpose is to try to establish some method of utilizing the great volume of fibre straw which is available in western Canada from the production of flax.

Mr. MARQUIS: I understand that the minister is aware that one of the most important experimental stations is located in my county of Kamouraska at Ste. Anne de la Pocatière. I wish to thank the minister for what he has done in the last few months in the way of improving the conditions of the working men, but I would ask him if he intends to make more repairs to the buildings on the farm and to improve more and more the conditions of the workmen and the employees there.

Mr. GARDINER: Yes, the intention is to make some repairs there and the amounts are included in the public works estimates.

Mr. ZAPLITNY: The report dealing with the pilot flax mill at Portage is brief as a general report would have to be. Can the minister indicate whether a separate report has been published dealing in particular with that one experiment which has been going on since 1945?

Mr. GARDINER: One is being prepared now which covers the three years of work since the plant was first established. It is not yet in print but will be printed shortly.

Item agreed to.

Production service—

18. Compensation for animals slaughtered, $223,036.

Mr. WRIGHT: Last night I asked the minister a question in regard to artificial insemination of dairy herds in Canada. What assistance is the department giving in this matter? To what extent is it being used and what success, if any, is being obtained by its use?

Mr. GARDINER: There is an association known as the artificial insemination unit. The practice that is being followed by the department is to put out one bull for at least every one that they put out. We do the experimental work in connection with it.

Mr. WRIGHT: Has the minister any idea what success is being attained?

Mr. GARDINER: It is particularly good with dairy cattle; it is more successful with dairy cattle than with others and it has resulted in very good developments.

Mr. WRIGHT: Is a report issued on it which is obtainable?

Mr. GARDINER: No report has been issued on it up to the present.

Mr. McLURE: Are all purebred registered stock eligible for compensation if they are authorized to be slaughtered by some veterinarian because of disease?

Mr. GARDINER: If they are properly registered as purebred stock, payment is made on the basis of purebred stock. If they are not registered, then they would not be eligible.

Mr. McLURE: There have been considerable losses among the purebred registered stock on the farm of Silver Foxes owing to the prevalence of disease there last year. Most of these are purebred animals and are registered in the records of the department at Ottawa. The claim has been made that these people should be compensated in cases where a veterinarian has been called in from the department who orders the animals to be slaughtered in order to protect other herds in that vicinity. Up to the present very little compensation, if any, has been paid and the losses have been extremely heavy.

Mr. GARDINER: In a general way the only time we pay for the slaughtering of live stock is that provided for in order to deal with tuberculosis, in order to try to control the development of tuberculosis or prevent

it. There are other cases where we pay compensation in connection with hog cholera, for example, and in a few other instances where our officials order the slaughter of animals. But in a general way it is correct to say that no compensation is paid for any live stock other than cattle. The real reason for that is to prevent the spread of tuberculosis among human beings. The government does not assume the responsibility for paying for losses that individuals have because of diseases which animals may have which do not affect human beings. That is, of course, the strength of the argument which was made last night in connection with Bang's disease. It is a disease which does affect the human being and which can be transferred from the animal to the human being. It is in order to combat that kind of disease that we pay for slaughtering of animals.

Item agreed to.

Production service—
19. Live stock and poultry, $979,111.

Mr. CARDIFF: There seems to be an increase of $139,486 in this item, and in one particular item, $30,000 for buildings and land. Can the minister tell us where that was expended?

Mr. GARDINER: The increase amounts to $189,486. Did the hon. member ask what the increase was for?

Mr. CARDIFF: There is an item of $30,000 for buildings and land. Where was that amount expended?

Mr. GARDINER: For pig-testing stations at Moncton and Waterloo.

Item agreed to.

Production service—
20. Plant products—seeds, feeds, fertilizers, insecticides and fungicides control, including grant of $31,000 to Canadian Seed Growers' Association, $826,255.

Mr. WHITE (Middlesex East): This item deals with seeds and like matters. Last evening I had an opportunity to say a word or two about the county of Middlesex and western Ontario so far as live stock was concerned. I have a certain amount of justifiable pride in the county of Middlesex. I am also grateful to the county for the opportunities they have given to me. In the county of Middlesex we have a crop and seed improvement association. They put on, I think, the outstanding seed fair in Ontario, if not in the Dominion of Canada. Over a period of some eight years there has been a tremendous increase in the production of seed grain in the county; not only in that county but in the various counties surrounding, there has been also an enormous increase in those counties. Less than twenty years ago there were only three registered seed growers in the county of Middlesex; today they number in hundreds.

I wish to mention three of these outstanding men. One is Mr. Alex M. Stewart, who became oat king of North America. Last year Mr. Clifford Dale was winner in the barley contest in the province of Ontario, and part of the credit for this crop and seed improvement association should go to the first president, Mr. Andrew Murray, also of Middlesex county and from my home township.

In 1945 there was exported from the area 100,000 bushels of seed grain to the United States. Last year, in 1946, there were 7,500 acres contracted for registered seed grain growing purposes in Middlesex county alone, to say nothing of the other nine or ten counties surrounding. The results have been improved varieties and yields.

Western Ontario is the centre of a rich and fertile area, and besides the growing of grains there are pasture grasses and clovers, soya beans and corn, coarse grains, spring wheat and other seeds. In the crop year now approaching there were contracts for a large acreage of flax seed, but owing to the very wet season it has not been possible to plant all the acres contracted for. Also in the area we have sixty seed cleaning plants and therefore in western Ontario we are equipped, we have the know-how, to produce some of the finest seed grains anywhere in the province.

Also located within the western Ontario area is the university of Western Ontario. They should and could be equipped to carry on education, training and research in the agricultural sciences, which would be of vast use to the farmers of western Ontario.

Some members of the house look upon the estimates we are now discussing as an expense. Actually they are an investment in agriculture, our basic industry, and I think we should look upon them in that light. A few nights ago I heard a discussion here about the difficulty of collecting income tax from the farmers. I suggest that if the farmer received a price that put him in the income tax brackets he would gladly pay income tax. We all pay tribute to the minister and the remarkable memory he has. Some time ago representative groups from the county of Middlesex and surrounding areas made representations to him regarding the setting up in western Ontario of a seed testing laboratory. I would ask him to remember that area.

Mr. McCULLOUGH (Assiniboia): A matter of extreme importance that I wish to speak about, a matter of importance not only to farmers but to all Canadians, is fertilizer, and soil conservation in Canada. Earlier in the discussion of the estimates I spoke at some length in this regard. Tonight I do not intend to duplicate my remarks but I shall speak, first, of conservation, second, of the general picture of fertilizer in Canada, and, lastly, give what I hope will be some constructive proposals which will be of assistance in this matter.

All hon. members, whether farmers or not, should recognize that in Canada today we are following a policy which is depleting our soils of their nutritive content. If this process goes on we shall finally be in the position where we shall have smaller and smaller crops as a result of robbing the soils of their various chemicals and foods which are necessary for plant growth.

The government was in a splendid position to see that we would have an increased use of fertilizer throughout Canada and it could easily have made it possible for our farmers to become accustomed to the use of fertilizers. I feel that the fertilizer policy in Canada is such as to discourage the widespread use of fetrilizer, and in this regard I would say that today we have a fertilizer monopoly in the country. Most of the responsibility for this lies at the door of the present government.

I would refer the committee to the report of the price spreads commission which in 1935 pointed out that for all practical purposes a monopoly may exist where there is more than one seller. In that inquiry they listed fertilizer as one type of monopoly in Canada. Since that time we have seen the growth of monopoly in the control of fertilizer. Before the war, Canadian Industries Limited had four large mixing plants: Canada Packers, four; Agricultural Chemicals, two; International Fertilizers, two, and smaller companies, about three. The situation was such that these companies were taking the sulphate of ammonia from the coke and steel plants, and in central Canada Canadian Industries Limited took the whole supply of it. While they were buying this commodity, which was a by-product of the coke mills, at $21 a ton, without touching it they were selling it at $33 a ton. Allowing for freight to the amount of $2, they were making a net profit of $10 a ton.

That was bad enough, but since that time conditions have got worse. We find now that, as I indicated earlier in this house, the government has seen fit to sell out our three large plants, the plant at Trail, the one at Calgary and the large Welland plant, to monopoly interests. The policy followed by the government is, I maintain, a sell-out of the Canadian farmer. It is against the wishes of organized agriculture, because I am going to put on the record communications between the Canadian Federation of Agriculture and government officials to show that they knew nothing about the sale of these plants and also to show that the plants were sold against the wishes of the Canadian Federation of Agriculture.

First, I should like to read from the *Rural Cooperator* of Tuesday, January 14, 1947, a summary of a speech given by Mr. Colin Groff, Secretary of the Canadian Federation of Agriculture:

> We reported last year respecting the disposal of the government-owned nitrate plants at Calgary and at Welland, Ontario. The situation at that time and throughout the year, so far as our understanding with the government was concerned, was that the government, through the Hon. C. D. Howe, had assured us that even though the Calgary plant, where cheap nitrate was being produced, might be sold, there would be a protection for prices for nitrate for fertilizer through the fact that the government intended continuing operation of the plant at Welland. It was only in December that we learned that the government had disposed of this plant also to private interests a short time ago, a decision which was made without any information being given to us at the time, or without any consultation with us.

Before continuing with that, I should like to say that these plants were built at considerable expense to the Canadian people. I have here a letter from the office of the deputy minister of reconstruction and supply, which indicates that the total cost to the Canadian taxpayers for the Welland chemical works was $19,129,246. That plant was sold to the North American Cyanamid people on December 1, 1946, for $4,750,000. I do not think it is necessary to put on record again the prices realized from the sale of these plants, but I should like to indicate this in reference to the profits made by the fertilizer industry in this country, and I am going to read this extract because I think it should be placed on the record:

> The farmers of Canada should take a good look at recent financial reports of the Consolidated Mining and Smelting Company. This company has always been a dominant factor in the production of lead, zinc and other metals, and its monopoly position has undoubtedly affected farmers in one way or another without attracting too much attention to itself.
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> But this year the financial statement is interesting especially to farmers. The annual report shows that the net profit for 1946 was $23,323,168, or $7.12 per share, compared with $3.52 per share in 1945, an increase of over

one hundred per cent. This vastly increased profit was realized chiefly from greatly increased sales of fertilizers, combined with higher prices for base metals. Production of fertilizer was 484,720 tons compared with 369,666 of the previous year.

The company, in its annual report, says "the year 1946 was marked by a record production of fertilizer due mainly to the purchase in April of plants from the dominion government."

Last year the Canadian Federation of Agriculture asked the government, through the Minister of Reconstruction and Supply, what disposition would be made of the government plants. Here again I quote from the report of Mr. Herb Hannam, president of the Canadian Federation of Agriculture, at the annual meeting in Winnipeg. The Minister of Reconstruction and Supply had assured him that—

. . . "even though the Calgary plant, where cheap nitrate is produced, might be sold, there will be protection for prices for nitrate for fertilizer through the fact that the government intended continuing operation of the plant at Welland." It was only in December that we learned that the government had disposed of this plant, also to private interests, a short time ago, a decision which was made without any information being given to us at that time, or without any consultation with us.

The Canadian Federation of Agriculture then, in a resolution, charged the government with breach of faith.

In regard to what might have been done by the government had we kept these plants in operation, we have found that the Alberta Nitrogen Products plant was producing nitrate, which is the most costly ingredient going into fertilizer, for $19 a ton, The Consolidated Mining and Smelting Company was producing it at $29, and the Welland plant at $39. These were the prices, of course, when the plants were first being operated. Naturally we understand that, as more fertilizer was produced and the plants were used more, these costs would be greatly reduced.

Mr. SMITH (Calgary West): Why were the costs so different?

Mr. McCULLOUGH (Assiniboia): Simply because of the nature of the plants and the source of the material.

Mr. SMITH (Calgary West): They use natural gas in Calgary.

Mr. McCULLOUGH (Assiniboia): That is one reason; yes. I might say the farmers quickly recognized that here we had an opportunity of getting cheap fertilizer for which we had been paying, going into the mix, $44 a ton. I have here an extract from a letter sent to the Minister of Reconstruction and Supply by Mr. Hannam on December, 28, 1943:

[Mr. McCullough.]

Canadian farmers are already appreciating the fact that nitrogen costs especially have been substantially reduced since there came into operation government owned ammonium nitrate plants operated by your department, and which are now supplying a large quantity of ammonium nitrate for fertilizer purposes in Canada

An attempt was made on the part of organized farmers in this country once more to prevent the monopoly of this ingredient going back into the hands of private enterprise. I want to quote from sessional paper No. 160, tabled in this house on Friday, February 4, 1947. It contains the letter of December 28 from the president of the Canadian Federation of Agriculture, in which he said:

The continued operation of the fertilizer plants after the war, to supply Canadian farmers with cheap nitrogen for fertilizer purposes, will be a very important factor indeed in agricultural production and it is hoped that the government in the best interests of all the farmers of Canada, will continue to operate these plants or to make such arrangements as will assure these plants being operated at cost. In any such arrangement the Canadian Federation of Agriculture and the large commercial cooperatives represented in it, assure you of their desire to cooperate and to undertake whatever responsibility is agreed upon through negotiations of our representatives with your department.

As private nitrogen fertilizer interests may wish to obtain control of these government plants, in order to protect their own positions and to continue at least some measure of monopolistic control of nitrogen for agriculture, the Canadian Federation of Agriculture representing the farmers of Canada, asks that it be consulted before any disposition of these plants is made and preferably before any negotiations are undertaken with private interests that might be interested in them.

Early in 1944 a committee of the Canadian Federation of Agriculture again interviewed the minister and discussed the possibility of keeping one of these plants under government control. This committee was composed of managers and presidents of such corporations as the wheat pools, live stock cooperatives and cooperative wholesales. At this stage I might say the minister indicated that the government was not considering offers for the plant, and that, instead, it was considering continued operation of the plant. His letter, dated June 12, 1944, contains the following statement:

Mr. MITCHELL: What is my hon. friend reading from?

Mr. VIAU: I thought it was understood that in this house we were not supposed to read speeches.

Mr. McCULLOUGH (Assiniboia): I am not reading my speech.

Mr. VIAU: You are reading material prepared at Woodsworth House, and it has to be stopped.

Mr. WRIGHT: The hon. member is reading correspondence tabled in this house in an order for return.

Mr. VIAU: He is reading material prepared by people who have never been in this house. It is well typed and well written.

Mr. GARDINER: I would just like to call attention to the fact that this speech was put on record on June 3, and it was put on record last year. That applies to almost every word which is being put on record now. It has been answered twice already.

Mr. McCULLOUGH (Assiniboia): I can put on record what I like.

Mr. GARDINER: Let me point out just what is on record. At page 3758 of *Hansard* for June 3 the hon. member who now has the floor made the same statements and read some of the same articles into *Hansard*. When he had finished I said:

> I judge, from the trend the discussion has taken up to the present, that the C.C.F. party are carrying out what their leader announced the other day was an organized plan in the party; and I compliment them upon carrying it out, because of its effectiveness.

Mr. WRIGHT: On a point of order—

Mr. VIAU: Sit down.

Mr. GARDINER:

> —But the representative of the Social Credit party stated a few moments ago that they intended to carry out what is the recognized and proper procedure in connection with this discussion, and would discuss each one of these matters on the appropriate item when it came up.
>
> Mr. Ross (Souris): And the official opposition.
>
> Mr. Gardiner: And the official opposition, while they have not announced it, have carried it out in practice all evening.

As a result, other members in the house desisted from discussing the question and going into the matter farther. Now, tonight, we are listening to the same speech being read again. The point of order is that one cannot discuss this question a second time by reading the same speech. The hon. member might as well pick up this volume of *Hansard* and read the whole speech again into the record.

The first point of order is that he should not be reading his speech at all; and the second point of order is that he is just reading again what is already on *Hansard*, and is thereby wasting the time of the house.

Mr. McCULLOUGH (Assiniboia): On a question of privilege, I wish to say that the only portion I am reading consists of letters or correspondence either tabled in the house or between the minister and the Canadian Federation of Agriculture. I say that is perfectly in order.

The DEPUTY CHAIRMAN: It is not in order to refer to a debate of the same session.

Mr. KNOWLES: The minister did that.

Mr. McCULLOUGH (Assiniboia): I am not doing that.

Mr. GARDINER: You do not have to say you are referring to it, but you may be still referring to it.

The DEPUTY CHAIRMAN: Order. I think the hon. member for Assiniboia will agree that no good purpose will be served by putting on *Hansard* again what has already been put on *Hansard*. I hope he will try to save the time of the committee, and will not repeat what is already on *Hansard*.

Mr. McCULLOUGH (Assiniboia): Mr. Chairman, I am repeating only very little of what was put on the record on any previous occasion. I want to clarify this, and say that, no matter if I do repeat myself, so long as I am a member of the house, when I think there is something I should fight for, on behalf of the farmers and people of this country, I am going to do it.

The DEPUTY CHAIRMAN: I hope the hon. member does not take the attitude that he defies the rules of the house.

Mr. ROSS (Souris): That is what he says.

Mr. MITCHELL: Do not have any mock heroics about this.

Mr. McCULLOUGH (Assiniboia): Have I the floor?

Mr. MITCHELL: I rise to a point of order. It is still a free country. I appreciate that when we are discussing a difficult and intricate subject it may be necessary to read a speech. I think we all agree on that. But if you want to use *Hansard* as campaign literature, you understand, it is totally out of order.

Mr. WRIGHT: What is the point of order?

Mr. MITCHELL: The point of order is that you should not read a speech, even in committee.

Mr. WRIGHT: The hon. member was not reading his speech. He was reading a quotation.

Mr. MITCHELL: What has he in his hand, then?

Mr. JUTRAS: That was my first point of order. He was reading what he had said in the house before.

The DEPUTY CHAIRMAN: If the hon. member is reading letters tabled in the house in relation to the matter, he would be in order. But I would call the hon. member's attention to the fact that no good purpose will be served by placing on *Hansard* again what was put there a few days ago.

Mr. JUTRAS: That is right.

Mr. McCULLOUGH (Assiniboia): I repeat, as I indicated before, that I am not putting on the record anything that was put there before. So far as the Minister of Labour is concerned, let me say that some people have pretty short memories, and it would not do them a bit of harm to have things repeated to them.

I have already indicated that there was an undertaking or a commitment made by the Minister of Agriculture and the Minister of Reconstruction and Supply to the farmers of this country. As I said before, there was a breach of faith there, and they sold out the organized farmers of this country, and the Canadian people generally.

Now, to continue—

Mr. MITCHELL: Mr. Chairman, I rise to a point of order—a point of privilege. I do not think my hon. friend should accuse this government or any individual in the house of selling out the Canadian farmer, because he knows it is not true.

Mr. McCULLOUGH (Assiniboia): By the time I have finished, if you allow me to continue my speech, I will indicate what I mean by it.

Mr. JUTRAS: You are only playing politics.

Mr. SMITH (Calgary West): I rise to a question of privilege. I think the hon. member should be allowed to proceed and play the record. But I also think he should get a new needle.

Mr. JUTRAS: That is the way I entered into it, by saying that he was still using the old broken record.

The DEPUTY CHAIRMAN: Order. I would ask the hon. member not to put on *Hansard* again what is already there.

Mr. ROSS (Souris): Our records are original. Do not repeat them so often.

[Mr. Wright.]

Mr. McCULLOUGH (Assiniboia): I would not want to read the record of hon. members to my right.

Mr. JUTRAS: Get your own speech, not one you made previously.

Mr. KNOWLES: Make your own speech.

Mr. BRYCE: You make a speech; you haven't made one yet.

Mr. JUTRAS: I made more than you did.

The DEPUTY CHAIRMAN: Order.

Mr. McCULLOUGH (Assiniboia): The suggestion in the letter of the Minister of Reconstruction and Supply was agreed to by Mr. Hannam, where he said this in his letter of June 16, 1944:

> It is not my purpose at this time to discuss how one or more of these nitrogen plants may be operated after the war in order to best serve agricultural producers in Canada. If, in consultation with the fertilizer committee of our Canadian Federation of Agriculture, it is found that continued government operation is the best way to provide for the production of agriculture nitrogen, I think I can assure you that it will have our whole-hearted support.

I will say right here that there was a lot of controversy on the point. I think the Minister of Agriculture and the Minister of Reconstruction and Supply should have known that they could not merely have given such a commitment or assurance that these plants could be sold to any agricultural group in this country.

Then, I have here the recommendation of the war expenditures committee. This was the recommendation of sub-committee number four of the war expenditures committee of the House of Commons. They made an investigation into the manufacture of ammonium nitrate at the Calgary plant. Their report is as follows:

> That the plants both at Calgary and Niagara Falls should remain the property of the crown and should be operated as a government enterprise for the purpose of the manufacture of ammonium nitrate for the use of Canadian agriculture and other chemicals. The sub-committee fully appreciates the fact that this recommendation is contrary to the existing agreement but believes that the manufacture of ammonium nitrate and other products is of sufficient importance to Canadian agriculture that the terms of the agreement should be re-negotiated after the war.

I might say that even on September 20, 1945, the Canadian Federation of Agriculture, by their president, again made a further appeal to the government that these plants be not turned over to private enterprise, but be kept or put under cooperative ownership.

Then Mr. Hannam had this to say, and I quote the letter to the minister:

You will recall that on several occasions our federation of agriculture interviewed you regarding future operation of government owned nitrogen plants. In view of the importance of nitrogen in a soil building programme for Canadian agriculture, we made a special appeal to you and the government, to provide that at least one of these plants—the Calgary plant—be operated by a cooperative corporation to be formed by member bodies of the Canadian Federation of Agriculture, in cooperation with federal government. Should this arrangement not meet with approval, we urge very strongly that the federal government continue to operate this plant for the benefit of Canadian farmers, in order to supply them this vital element of their fertilizer requirements at the lowest possible price. In fact, it seems evident to us that a high price nitrogen product would be a definite bottleneck in the fertilizer industry in the years immediately ahead.

As we have mentioned to you on former occasions, we do fear the result if these plants are permitted to be sold to private corporations whose policy in the past has been to charge all the traffic will bear.

You were good enough to assure us on one occasion, that the government would not permit this to happen without prior consultation with our Canadian Federation of Agriculture. Accordingly, we are very anxious to know what, if any, development there may be in connection with these plants, and what, if any, assurance you can give us that at least one will be government operated, in order that our farmers may receive their nitrogen fertilizer at a reasonably low figure.

Here again the Minister of Reconstruction and Supply indicated that the government was going to sell the Calgary plant, but that the Welland plant in eastern Canada would be used for the purpose of producing fertilizer in this country and would be kept under government operation. The Canadian Federation of Agriculture objected to the suggestion that the Calgary plant was not to operate under government ownership, because it was able to produce nitrogen there much more cheaply. Again they suggested to the minister:

We understand also, that the cost of manufacturing amonium nitrate in the Calgary plant is only about half the cost of manufacturing in the Port Robinson plant in Ontario.

When the minister answers tonight I should like him to say why it was not deemed reasonable to keep in operation a plant which could produce fertilizer more cheaply rather than to keep the Welland plant continuing. This letter continues:

If the Port Robinson plant is to manufacture fertilizer for the farmers of Canada, are they to pay a high price, while the Calgary plant will go to private hands, where the new owners would be in a position to make excessive profits while selling at the same price as the products manufactured at Port Robinson?

In an interview with yourself some time ago, we felt we had a definite understanding with you that this plant would not be offered for sale to private interests, without consulting our Canadian Federation of Agriculture. Now in your letter, you state "Steps are, therefore, being taken to dispose of the property." Does this mean that the property would have been sold very shortly, and we would have known nothing about it, had it not been that I happened to make inquiry regarding this plant in my letter of September 20?

In his reply to Mr. Hannam the Minister of Reconstruction and Supply indicated that the plant at Calgary might become a white elephant. I remember the debate in the house on February 10 last when I brought up this subject, and the Minister of Agriculture said that we could produce all the nitrates at one of these plants for Canadian use and then in a very short time we would have to export our surplus production. I want to ask, what is wrong with having fertilizers here in Canada for export? Do we not want industries? Why should we turn this over to private enterprise so that they can make the profits I have indicated. The Minister of Reconstruction and Supply, in his letter of October 2, 1945, said:

As I wrote you previously, Welland Chemicals is capable of manufacturing products other than fertilizer, and should probably be kept as a government operation. This plant is being operated on a very profitable basis, and probably can continue to operate at a profit, regardless of the export situation. It is capable of furnishing all Canadian requirements for many years to come, and can do so cheaper than the Calgary plant. Certainly, its use would regulate the price of fertilizers produced privately in a manner that will fully protect users of fertilizer.

While no time for receiving tenders for the plant has been fixed, there is no doubt that sufficient time will elapse to give the Canadian Federation of Agriculture ample time to formulate a proposal for the purchase of the plant, provided early steps are taken by yourself to that end.

In October, 1945, the Alberta government wired to the minister when it became known that the Calgary plant had been sold to private interests. They said:

Today's press announces Honourable C. D. Howe considering sale of ammonia plant at Calgary. Alberta government desires to exercise its priority on this plant immediately to prevent loss of the industry to the province unless sale by dominion government contains undertaking and guarantee by purchaser of continuous operation in the province.

I wrote to the Department of Reconstruction and Supply to ask whether the contract of sale provided that the plant would be kept in operation, and I should like to quote from the letter I received from the department in reply:

The sale contract does not place any responsibility on the North American Cyanamid

Limited to keep the plant operating at full capacity nor to manufacture any particular type of product.

Not only did the government sell the plant, but they gave away the benefits of all the experiments which had been carried on during the war. I have a clipping here from the *Globe and Mail* of March 6, 1947, which asks why Ottawa wonders why the chemical plant sale alarms the United Kingdom minister. It is indicated there that even the right to the manufacture of picrite is given to these American Cyanamid people, and they are thus given complete control of that production. I do not intend to go on any farther, Mr. Chairman.

Some hon. MEMBERS: Hear, hear.

Mr. McCULLOUGH (Assiniboia): I know there are many hon. members to my right who would like to get this through. The leader of the C.C.F. party got up and made a fine speech against the growth of cartels in this country. I remember that at that time the hon. member for Kamloops said that all he needed to do was to complain about it, and another hon. member to my right said that the leader of this group could go and lay a complaint against the cartels. Here we have an indication that the government are allowing a cartel to exist in this country. We have set up the Combines Investigations Act with a commissioner to try to control this sort of thing. However, if the government cannot control this I wonder how any individual in this house or in the country can control it. If hon. members to my right are in favour of this sort of thing, let them get up and say so.

Mr. FERGUSON: Who said they were?

Mr. McCULLOUGH (Assiniboia): You seem to be in a hurry to pass this item.

Mr. FERGUSON: Nonsense.

Mr. McCULLOUGH (Assiniboia): I want to tell the committee why I brought up this matter. We know that farmers who want to use fertilizer are forced to pay prices which they cannot afford. Earlier this evening we passed items running into millions of dollars to set up experimental farms and stations so that our farmers may be informed about soil conservation and thus have greater production. According to experiments which have been conducted by our universities, a wide-scale use of fertilizer would increase production by eight to ten bushels per acre. The world is crying for food and we want stable production in this country. Therefore I submit it is the responsibility of the government to make these fertilizers available to our farmers at prices they can afford to pay. Throughout the west, and especially in Saskatchewan, the district which I know best, 11-48 fertilizer is being sold at $63.50 off the car, or $64.50 at distribution points. It can be well understood why farmers are not using it.

Here are the results of tests made by the college of agriculture of the university of Saskatchewan. After using 11-48 at four different rates per acre the average increase in bushels per acre ranged from 6·3 to 10·2. That is a considerable increase, and when you apply that increase over the whole of the province it can readily be seen of what tremendous value it would be to our farmers. The use of fertilizer also on grazing land is of great value because it increases greatly the nitrogen content in the dried grass and hay from that pasturage.

It is too late to do anything about these plants because they are sold and gone, but I should like to make a constructive proposal to the government. The only thing I see now is for the federal government to subsidize the use of fertilizer in this country so that our farmers will become used to it. Our land is a heritage, and I do not think we can afford to exploit it as we have our other natural resources. If we are to make a scientific attempt at soil conservation it is up to the federal government to do something about fertilizer.

Mr. FERGUSON: I rise to a question of privilege, Mr. Chairman. Two days ago we had as our guest in this country the President of the United States, and a few years ago we had as a guest a great man in the person of the late President Roosevelt. There appears in a reputable Canadian newspaper today an article which I believe all members of this house would like to have repudiated or corroborated. It says that it was originally intended to have inscribed on the carillon bells at the Rainbow bridge at Niagara Falls the names of the late President Roosevelt and Winston Churchill. But in today's newspaper, travelling all over the Dominion of Canada and, I am sure, into the United States, it is stated that through pressure—

The CHAIRMAN: Order.

Mr. FERGUSON: On a question of privilege, Mr. Chairman, I think hon. members will be glad to have this matter brought to their attention.

The CHAIRMAN: Order. When the Chairman rises will the hon. member kindly be seated. When the house is in committee there can be no question of privilege on the

matter about which the hon. member is speaking. If the house were sitting as a house there might possibly be a question of privilege, but not at the present time.

Mr. GRAYDON: The member ought to be allowed to finish his statement, Mr. Chairman. Three ministers of the crown are involved.

The CHAIRMAN: Order. The house is in committee.

Mr. GARDINER: I think I should make a few remarks with regard to the statements that were put on *Hansard* within the last few minutes by the hon. member for Assiniboia. The statement which has been largely read to the committee this evening was in substance put on the record on June 3 last and was also put on the record a year ago. At the time it was placed on the record a year ago I called attention to some remarks which had been made which were not entirely in accordance with the facts. I am going to say this evening that, while the record which was placed on *Hansard*—

Mr. McCULLOUGH (Assiniboia): On a point of privilege, to what statements is the minister referring?

Mr. GARDINER: I am coming to that and will indicate what they were. The hon. member has been reading to the committee letters that were received by the federation of agriculture from the Minister of Reconstruction and Supply and has referred to discussions which took place between myself and the president of the federation. The letters in themselves in so far as they were read are, of course, in accordance with the facts. But my hon. friend did not tell all the story, as he himself knows.

Mr. McCULLOUGH (Assiniboia): You finish it then.

Mr. GARDINER: I will finish it and when I have finished the hon. member may have something else to say. The position which was taken by the hon. member and read on to the record previously was to this effect, with regard to the agreement entered into for the sale of the nitrogen products plants at Calgary and in the Niagara peninsula:

> If hereafter for any reason the (U.K.) government at any time or times within twenty (20) years from the date hereof shall desire or determine to lease or dispose of said plant or any department or part thereof except to "any government within the British empire or North America," N.A.C.L. shall be given the first opportunity.

The impression has been left with the committee by the hon. member that governments did not have any opportunity to buy this plant, and that the farm organizations had no opportunity to buy it. The fact is that the president of the federation of agriculture carried on a correspondence, first, with the Minister of Reconstruction and Supply, and when he felt that the plant would probably be sold if something further were not done he came to the Minister of Agriculture and carried on conversations with him in regard to the matter. As a result of the representations made, I met the farm organizations from western Canada, at the suggestion of the president of the federation, and discussed with them the whole question whether arrangements could be made for the disposal of this plant to some government or to some farm organization in western Canada. It is true that, strictly speaking, the farm organization probably could not, under the terms of the agreement, have obtained the plant directly. But there is a suggestion that governments could have retained possession of the plant.

A letter has been read on to *Hansard* to the effect that the Alberta government did make inquiries, but I notice that the hon. member did not follow through or give any indication to the committee or the country of what the final outcome of that correspondence was or whether the government of Alberta pressed its desire to obtain the plant which was located in Alberta. My memory of the discussions and my understanding of them is this, and I know something whereof I speak because I went to the Minister of Reconstruction and Supply myself and asked him to hold these plants in possession of the government until such time as every possible concern in western Canada that might want to purchase the plants had an opportunity to do so. It was only after the president of the federation of agriculture came to me personally—and I am sure he will take no exception to my saying so tonight, and he will so state anywhere—and said it did not appear that any arrangement could be made to have these plants handled by any of the organizations in western Canada, or by the governments in western Canada, that the plant was disposed of. We had exhausted every possible attempt that could be made to see to it that if any government or farm organization desired to take over these plants an opportunity would be given them to do so.

I agree that, strictly speaking, there are terms in the agreement which may have made it difficult, if the company had desired to make it difficult for this kind of thing to happen; but there was no indication given to the government or to the minister, so far as I know, that the company itself would

have objected to the operation of this plant by farm organizations or by a government. The fact of the matter is that every farm organization in western Canada—and some of them have considerable funds of money running into millions of dollars—examined into the possibility of taking this plant over and operating it, and decided, without any exception whatsoever, that they had no desire to do so. The government itself examined into the possibilities of operating the plant—

Mr. BLACKMORE: The federal government?

Mr. GARDINER: Yes. The federal government also examined into the possibility. I do not say that the federal government arrived at the decision which it did on the basis of the possibility of operating it; the federal government took the position that we were not desirous of going into that type of business in the western part of Canada.

The suggestion has been made that when we were discussing this question before, I stated that the chief reason for it was the fact that the greater part of the product had to be exported. It was not the idea that the product had to be exported that had anything in particular to do with the matter; it was the fact that if we were to operate the plant as a government we would operate it in opposition to plants being operated in other areas in other countries, not to serve our own people, because the product which is an ingredient of fertilizer is not a product which is used, in quantities comparable with the possible production of the plant, in the fertilizer that would be useful in the western part of Canada. It is an ingredient of fertilizer which is used to a considerable extent in parts of eastern Canada and in parts of the United States. The product which is obtained in the United States for that purpose is partly provided locally and partly obtained from Chile. If we had undertaken the operation of that plant it would have meant that as a government we would be operating a plant which would not serve any real purpose in so far as the farmers of western Canada were concerned, and which would take us into competition within another country and with other organizations that were producing similar ingredients—

Mr. McCULLOUGH (Assiniboia): The Consolidated Mining and Smelting Company are doing very well.

Mr. GARDINER: I do not know whether they are doing particularly well out of the plant or not; I am not in a position to say, but I am in a position to say this, that my hon. friend again threw out the suggestion that they might close it up. Well, if they are doing so well in it, why would they close it up? As a matter of fact, on the previous occasion when this matter was under discussion I said, in as definite terms as I could state it, that when I suggested out on the coast that there might be a possibility of the plant being closed up I immediately received a telegram from those who were operating the plant saying that it would not be closed up, that it would be operated. So far as I know, it will be operated. The plant is being operated there; but the point I wish to make is this. The government decided, as a matter of policy, that it would not operate that kind of plant. That is not the policy of the group in the opposition that are raising this question. Their policy is that they should purchase and operate plants of this kind in order to serve—

Mr. McCULLOUGH (Assiniboia): For the benefit of the people of that part of the country.

Mr. GARDINER: My friend says, "for the benefit of the people of that part of the country". He refers particularly to Saskatchewan. There was not a thing in the world to prevent the government of that province from buying this plant had they wished to do so. He says the service that is to be given is to be given to thousands upon thousands of farmers in Saskatchewan. If that plant could be of service to thousands and thousands of farmers in Saskatchewan, why did not the socialist government which believes in that kind of thing buy the plant at Calgary and operate it? It could have operated it just as successfully as this government could have done or as any other government could have done. I would suggest to them that when they are advocating governments taking over plants of this kind they take a look at what their own government is doing in connection with these matters in the province in which they live. If they do that, they will find that there is not very much that the government has taken over out there and tried to operate as a government, which has been of assistance to thousands and thousands.

Mr. WRIGHT: That is not what the minister says when he goes to Saskatchewan.

Mr. GARDINER: They took over a little box factory which employs some fifty or sixty men and they took over a brick plant at Estevan, which is operated on clay from which you cannot make good brick, as everyone in the western part of Canada understands.

Mr. WRIGHT: On a point of order, I am wondering just what the plants that are taken over in Saskatchewan have to do with fertilizer.

Mr. GARDINER: I know it has this to do with fertilizer. If the government of Saskatchewan had wanted to operate a plant and produce fertilizer it could have done so; it could have operated it. But of course they had no desire to do so for the same reason that others did not desire to do so.

If there happens to be some concern in Canada that, by operating a plant in cooperation with some other plant, can make a success of operating it, then I do not know of any reason why they should not operate it.

There is a great deal of argument as to what they will charge farmers in western Canada for the product. There is far more necessity for considering just to what extent the plant could be used by farmers in western Canada even if it were operated. By whomever it was operated, that plant would produce very much more in the way of an ingredient of fertilizer than western Canada will use. If it is to operate at all it will operate for the production of fertilizer for somebody somewhere else, and therefore it was not so much a matter of concern to this government from the point of view of the western farmer as has been made out.

All I want to say is that those who believe in government ownership and control of all industries in Canada, when they have an opportunity to take over a plant that is considered so valuable to the farmers of western Canada as the plant at Calgary is considered by them to be, should have made a much better effort to take it over and operate it themselves and provide the farmers with this much needed fertilizer about which we have been hearing.

Mr. SMITH (Calgary West): I wish to ask the minister two questions. I think it might be well—and it may be obvious—to say that I have no intention of entering into a debate with respect to fertilizer. Is it not true that when that plant was operating during the war and making ammonia, over ninety per cent of the product was exported and used largely on the gulf coast of the United States? In other words, ten per cent of it could be used in this country. Is it not true, that that plant, in one month's operation, could make all the ammonia which could possibly be used in fertilizer for the whole of Canada and that, therefore, during the other eleven months it would be operating simply for export business for the gulf coast of the United States? Is that not the simple situation with respect to that plant?

Mr. GARDINER: That is a fact, yes.

Mr. SMITH (Calgary West): Is it feasible today to fertilize the wheat areas in Saskatchewan? Is it not true to say that fertilizer is used today for smaller patches and more intensive cultivation? Is that not the fact? Could a man at any price fertilize a half-section of land? I do not know whether he could or not. I am simply asking the question to obtain information.

Mr. GARDINER: There are certain places where it would pay the farmer to fertilize his land, but not necessarily with the type of fertilizer that would be made from the product which is produced in Calgary. On the other hand, in an area where the land has been cropped for fifty years and which will still grow fifty bushels of wheat to the acre, farmers are not very likely to spend very much money on fertilizer. All over western Canada there are areas where, whenever they get sufficient rain, without any fertilizer whatever they grow anywhere from thirty to fifty bushels an acre, and some of those lands have been under crop continuously for from forty to fifty years. Of course the time may come when some of the ingredients of that soil will be used to such an extent as to make it absolutely necessary to fertilize it with something, but there has been no suggestion that any considerable amount of the product of the Calgary plant could be used for the purpose of improving cropping conditions in western Canada.

Mr. WRIGHT: It has been proved beyond doubt that the experimental station in Saskatoon, at the university, which has used fertilizer for the last five or seven years, has increased thereby the crop yields from six to eight bushels an acre.

Mr. SMITH (Calgary West): Is that from the ammonia plant?

Mr. WRIGHT: Yes. It uses a considerable portion of fertilizer from this plant. The minister tried to indicate that this type of fertilizer is not used in western Canada. It is, and we have been short of fertilizer in the west ever since 1942. This year when I was at home at Easter the man who sells fertilizer in the area I represent came and told me that if I wanted fertilizer for 1948 I would have to put in my order immediately. He said that unless I had the order in within a short time I had very little chance of getting fertilizer in 1948. There is a shortage of fertilizer in western Canada. There was a shortage this year and there will be a shortage next year. The minister is just trying to wash the thing out, but I am afraid

he cannot do so as far as the farmers of western Canada and the farmers in eastern Canada are concerned, because they realize more than ever the need of fertilizer. They realize that the fertility of the soil in the country has been going down. Yields have been going down in many areas simply because we have not learned how to use fertilizer to the extent to which it has been used in Europe and in other parts of the world. Anyone who has gone to Europe and has seen the use of fertilizer there, and the yields obtained from the intelligent application of fertilizer, must realize that we have to use fertilizer more and more in this country if we are to maintain the fertility of the soil.

We had in this house a committee set up in the early days of the war, and that committee recommended to the government that these fertilizer plants should be maintained. On that committee the majority of the members were government supporters. As soon as the war was over, however, as the minister stated, the government had no further interest in maintaining the government plants and sold them. That is the whole story. They were not interested in maintaining these government plants or in seeing that fertilizer was produced here so that it could be sold to the farmers at prices which would enable them to use it.

Mr. GARDINER: That is part of the story but not the whole story. No one else was interested in keeping them either. No one else was interested in buying them. Those who, it was thought, might be interested were consulted in the matter and, after examination, they said they were not interested.

Mr. WRIGHT: Again the minister is not stating the whole truth because the plant at Welland—

Mr. GARDINER: I am speaking of the western plant.

Mr. WRIGHT: —was sold before the people out there knew it was sold. They did not know it had been sold until they saw reports in the papers. The government had given an assurance to those people that, before the plant was sold, they would be notified. Not only that, but the minister himself stated in a letter that the government did not intend to sell the plant but intended to operate it. But they did not carry out their word.

Mr. GARDINER: I would ask my hon. friend to stick with the area he is interested in.

Mr. WRIGHT: I am sticking with a matter that is of interest to the whole country. I am not interested in western Canada alone; I am interested in agriculture throughout the country.

Mr. GARDINER: There is not an organization in eastern Canada that has control of government that believes in government ownership and control of plants of that kind. There is only one place in Canada where that condition exists, namely in Saskatchewan, and the government of Saskatchewan, which believes in that policy, had no interest in buying this plant.

Mr. WRIGHT: Quite right, but the plant was not built in Saskatchewan. If it had been they would have been interested in it. The plant was in Alberta.

Mr. GARDINER: They took some interest in the meat packing plant in Edmonton. Why should they not take an interest in the plant in Calgary?

Mr. WRIGHT: Again the minister is not stating the truth. The plant in Edmonton is a cooperative.

Mr. GARDINER: My hon. friend is not stating the facts when he says that I am not speaking the truth.

Mr. WRIGHT: I did not say the minister was not speaking the truth.

Mr. GARDINER: Better read *Hansard*.

Mr. WRIGHT: I said the government did not carry out their promise.

Mr. GARDINER: The government of Saskatchewan took an interest in the opening up of the plant in Edmonton and guaranteed the funds of the farmers cooperative that operates the plant. So did this government. But not only did the Saskatchewan government do that. Ever since, they have been taking credit for what has happened in those plants. As a matter of fact, this government put up much more than the provincial government of Saskatchewan put up, and negotiated all contracts for the sale, and if the government of Saskatchewan could take an interest in the plant in Edmonton, why could it not take an interest in the plant in Calgary?

Mr. WRIGHT: I might ask the minister the same question. If his government could take an interest in the plant in Edmonton, why not take an interest in the plant in Calgary?

Mr. GARDINER: We did. We arranged for its building.

Mr. WRIGHT: You sold it.

Mr. SMITH (Calgary West): I am not going to have my province slighted. As I understand it, the socialist government, according to the statement of the hon. member who last spoke, did not take an interest in this plant for the reason that it was located in Alberta. That is one of the queerest reasons I have heard advanced for anything. The reason the plant is in Calgary is the fact that it uses natural gas. I say to my hon. friend, your government's money would have been just as good as anyone else's if it had been offered to this government as purchase price. I go a long way with you in some of your ideas, but let us not say that your socialist government in Saskatchewan is afraid, ashamed—what should the word be?—to deal with us in Alberta. We will use you well and give you a profit on every deal you make with us. You will be treated all right.

Mr. WRIGHT: The hon. member has little to say about the government of Alberta.

Mr. SMITH (Calgary West): I will make a speech on that if you want me to. I think they are a splendid government.

Mr. ROSS (Souris): Much better than Saskatchewan.

Mr. HERRIDGE: This vote is for $826,255 for plant products—seeds, feeds, fertilizers, insecticides, fungicides control, including a grant of $31,000 to the Canadian Seed Growers' Association. There is an increase of $111,999 over last year. I presume that is for fertilizer subsidy. I notice that an order in council, P.C. 2084, was passed on May 19, 1947, which deals with subsidies in connection with fertilizer chemicals, and so on. How are these subsidies operated? What is the procedure?

Mr. GARDINER: None of that increase involves fertilizer, but that does not prevent my answering the question which has been asked. There is no part of the $111,000 increase used in fertilizer subsidy. The facts with regard to fertilizer are set out, up to the end of last year, at page 178 of the annual report which has already been tabled in the house. The facts relative to what has been asked are these:

Canada used in the past year approximately 600,000 tons of fertilizers of all kinds as against 560,000 tons in 1944-45 and 275,000 tons in 1939-40. These requirements were obtained by increased production in fertilizer plants in Canada and by imports allocated by the combined food board. As a result relatively few, if any, farmers were unable to obtain surplus supplies, despite the tight position. Regulations established under the wartime prices and trade board and the agricultural supplies board were administered by officials of the plant products division, and these regulations permitted—

(a) the subsidizing of imports to the extent of $260,000;

(b) the enforcing of regulations designed to effect the best use of fertilizers;

(c) freight assistance on fertilizers as follows—

Prince Edward Island	$ 45,297.75
Nova Scotia	22,305.64
New Brunswick	81,837.82
Quebec	115,899.37
Ontario	94,412.26
British Columbia	25,957.12
Total	$383,996.02

((d) assistance on the production and distribution of lime as follows:

Prince Edward Island	$ 10,144.45
Nova Scotia	33,075.64
New Brunswick	45,380.85
Quebec	139,243.86
Ontario	3,322.29
British Columbia	3,150.04
Total	$234,317.13

Mr. HERRIDGE: This new order in council does not represent any change in policy?

Mr. GARDINER: No, there has been no change up to date. I would not guarantee that there will not be any change during the year, but there has been none up to date.

Mr. NICHOLSON: I think the Minister of Agriculture was unfair in his remarks to the hon. member for Assiniboia. I should like to remind the minister that on June 3, at page 3758 of *Hansard*, he declined to discuss the question, when he said:

I should like to suggest that an address like the one to which we have just listened is an appropriate one to have in connection with these estimates, but the place to have it is on the item of fertilizers.

I might remind the committee that we are now on item 20, and the minister has not been before the committee for very many hours. I think he will agree that usually he spends as many hours on the first item as he has now spent in getting nineteen items through, and the committee has cooperated by spending very little time on the general item. The hon. member for Assiniboia, I think quite correctly, was prepared to discuss this question of fertilizers, because it does affect the whole field of agriculture. I have read over the remarks of the hon. member for Assiniboia on June 3, and it is pretty clear to me that there has been very little if any repetition this evening. He has covered new material; and the fact that the minister has found it difficult to answer the arguments advanced by the hon. member for Assiniboia and also the hon. member for

Melfort would indicate that this is a matter of national concern. The fact that the hon. member for Assiniboia discussed it a year ago is immaterial, for I think it is the duty of hon. members to discuss these matters year after year until they get some redress. Would the minister make some comment on the complaint of the hon. member for Melfort that it is impossible to have any assurance of supplies for 1948 in the western provinces?

Mr. GARDINER: There is no reason whatever to doubt that supplies will be available for the coming year.

Mr. REID: I wonder if I might draw the minister's attention and have his interest in regard to the sending of an inspector by his department to California at least once a year. The seed potato growers in my district go to California, where there are seed plots planted. There some eighty acres of land have been set aside for the growing of seed potatoes. The various states take plots of land and plant their seed potatoes there. The states participating in the scheme send inspectors to examine and look after the plots; then at the proper time buyers from all over the country visit those plots and buy the potatoes they desire. Apparently we do not recognize what is being done in the United States. I am not familiar with what takes place in the maritimes, but I know that in British Columbia they go to considerable expense to send men to California, not only to plant the seed, but to look after the potatoes until they mature. This is being done with the view of building up a trade in seed potatoes, and I might say it is doing very well. But our growers feel that some notice should be taken of it by the Department of Agriculture and that it should be recognized by the dominion government. So that I am asking the minister if he will take note of this and give the matter some consideration, to see if it would not be possible to have one of our own inspectors go to California and cooperate with the growers of seed potatoes in British Columbia.

Mr. GARDINER: In recent years we have had at least four persons go to California, including one of the gentlemen sitting in front of me tonight, checking their operations and bringing back whatever information can be obtained.

To speak of another product than potatoes, as hon. members from the west know we have even multiplied the sawfly-resistant type of wheat in California and brought back the product for utilization here. In other words, we have been keeping in touch; but I will take under consideration the suggestion that has been made that we should do even more in that direction, and supply more information.

Mr. WRIGHT: Are the government carrying on any experiments in connection with spraying from aeroplanes in regard to weed control?

Mr. GARDINER: The item with which we are now dealing is not the item under which that information can be obtained, and those who are specialists in those matters are not here at the moment. However, considerable experimental work has been done, as the hon. member knows, in connection with killing weeds by sprays; and it has been extremely successful. I am not in a position to say whether it has been done to any considerable degree with aeroplanes. I believe it has been done mainly by vehicles moving on the ground, but elsewhere it has been carried out by aeroplanes, and no doubt they could be utilized here if it were thought advisable to do so.

Mr. SHAW: It was my intention to ask a number of questions concerning experiments in the use of chemicals for the destruction of weeds, but since the minister has indicated it is not possible to discuss that matter under this item, may I ask under which item it would be proper to ask those questions?

Mr. GARDINER: That would come under botany and plant pathology, item 8, which we covered last night.

Mr. SHAW: I feel that this matter is of sufficient importance that, even though the item may have been dealt with, I should hope the minister might make provision later on for some discussion. I find a great deal of confusion today in newspapers and other publications. The farmers are inquiring about the success or otherwise of the use of certain chemicals, and the sum total of it is that they are rather bewildered.

Mr. McCULLOUGH (Assiniboia): To come back to the question of fertilizer, the hon. member for Calgary West asked the minister if it would be unreasonable to expect that western farmers in large sections of Saskatchewan and the prairie provinces could not use fertilizer, at any rate, because it would not be practical to do so. I have here a scientific report showing the effects of phosphatic fertilizers on summer fallow wheat crop in certain areas of Saskatchewan. In the controlled tests covering the years 1939 to 1943, using approximately fifteen pounds to the acre of 1148, the average cost per acre would be forty-six cents. The return averaged 6·8 bushels to the acre. If we figure that out on a dollar basis

it would make a return of $9.18 per acre to the farmer for his expenditure of forty-six cents.

I would say, too, with all due deference to the minister's ability as Minister of Agriculture, I saw him out on the ball diamond last night, where he did some skidding around. But in my opinion he has done even a better job of that tonight.

I believe I have put on the record what the government did with respect to fertilizer. I say the statement of the minister in regard to Saskatchewan where we have a C.C.F. government, that they should have undertaken this proposition of buying up government owned plants, is not sufficient and is beside the point. I might say to him that his own government has many crown corporations. I refer specifically to the Polymer Corporation, where they have reduced the price of synthetic rubber three times. One of the last reports I received from the Minister of Reconstruction and Supply was that it is selling at around sixteen cents a pound. They have reduced the production costs of synthetic rubber by one-half since they went into operation. We could have done the same thing in regard to fertilizers.

Mr. SMITH (Calgary West): Did not competition reduce that price?

Mr. NICHOLSON: No competition there.

Mr. SMITH (Calgary West): Oh, yes; there is the competition of natural rubber. That is what reduced the price of synthetic rubber.

Mr. WRIGHT: They are still making a profit at the new price.

Mr. SMITH (Calgary West): I do not doubt that they are.

Mr. GARDINER: They do not produce it on farms, anyway.

The CHAIRMAN: There must not be so much conversation between members.

Mr. McCULLOUGH (Assiniboia): There is one other thing concerning which I take issue with the minister. He got a little out of his orbit when he referred to clay products in my constituency at Estevan. We are trying to do a good job in Saskatchewan, with our C.C.F. government there; we are trying to do a good job for our people. It is not fair for the Minister of Agriculture to state in the house that he is not a ceramics engineer, but that our clay in Saskatchewan utilized at our clay products plant at Estevan is not suitable for the making of brick. My opinion is entirely different.

Mr. GARDINER: Well, I used to be minister in charge of it.

An hon. MEMBER: That is why they went on the rocks.

Mr. GARDINER: And I happened to know that the brick is not used extensively.

Mr. McCULLOUGH (Assiniboia): Maybe that is why the Liberal government decided to sell it out for one dollar to private interests.

Mr. GARDINER: The Liberal government never owned it.

Mr. McCULLOUGH (Assiniboia): You owned part of it. You put a lot of cost into it—several hundred thousand dollars.

Mr. GARDINER: No, you are dreaming.

Mr. McCULLOUGH (Assiniboia): My information from ceramic engineers is that not only can we make brick, tile and face brick, but we can also make different types of pottery.

Mr. NICHOLSON: Would the minister make a statement with regard to negotiations with the Canadian seed growers' association? A few years ago, apparently in error, part of the requirements of the association were overlooked. While we had a supplementary vote later on, my recollection is that the association did not receive as much as they normally should have had for their operations. Would the minister indicate whether correspondence with the association indicates that they are satisfied with the grant, and also whether consideration cannot be given to increasing the grant, in view of the contribution to Canadian agriculture by the seed gowers association? I think the vote is altogether too small. Are they satisfied with the adjustment?

Mr. GARDINER: Two years ago there was a misunderstanding in the matter of supplementaries. Last year that was adjusted. Everything the seed growers asked for was provided for them. I am not saying they could not spend more money to good advantage. But everything they have asked for, to date has been provided for them; and they are not asking for more at the present time.

Mr. NICHOLSON: I gather from the minister's tone that if they have places where they could spend additional money a request from them in the near future would receive favourable consideration.

Mr. GARDINER: I did not say that.

Mr. CHARLTON: It is not my intention to bring back the fertilizer issue. I should

like to say to hon. members to my left that if they canvassed southwestern Ontario they might be able to buy a considerable quantity of fertilizer probably at less than cost price, because it cannot be used this spring on account of flood conditions. Then again I would suggest that if they had enough copies of today's *Hansard* scattered around the west it might eventually become very good fertilizer.

I wish to ask the minister one question regarding the feeds situation in eastern Canada. I know he made a statement last night, but in view of the tremendous shortage which might be expected this year, which is estimated at nearly 70,000,000 bushels of oats and barley alone, and which means a critical situation, I would urge him to make a definite statement in the very near future, if he cannot do so tonight, in regard to the government's policy.

Mr. GARDINER: I think I said last night, before concluding my remarks with regard to feed, that for at least another three weeks it would be almost impossible for the government, or anyone, to be satisfied as to what conditions will be in relation to feed.

We know at this stage that there will not be within at least fifty per cent of the amount of feed which will be required in eastern Canada, as compared with last year. We must take account of the fact that of all feeds used last year about half was shipped in. We also know that the crop condition in western Cnaada, with regard to both acreage and seeding, and the present condition of the crop, is as good as it has been in some of our best years. But that can all change in the next three weeks. We are, of course, hopeful that it will not, and that it will go on and be a bumper crop.

If it is, then the government can announce a certain line of policy which would mean that we would move grain down east as rapidly as it can be moved. In any event, we will move whatever there is down as rapidly as arrangements can be made to have it moved. But in case there is any change in crop conditions out west, the policy would have to be different. At the present time I should not like to attempt to say what the policy will require to be, or will be.

Mr. CHARLTON: I realize that the minister knows the seriousness of the situation. But I must point out that if a policy is not brought forward in sufficient time there is the possibility that a good deal of live stock in eastern Canada will be sold at reduced prices. If they know they have not the feed here they may not be willing to take chance on waiting until the government policy is announced.

Mr. GARDINER: We are urging them strongly for the next three weeks not to take any such action as that. By that time we shall probably be able to see the picture more clearly.

Item agreed to.

Production service—

21. Grants to fairs and exhibitions, as detailed in the estimates, $308,500.

Mr. ROBINSON (Bruce): I am interested in obtaining some information with respect to class B fairs. I see where there are forty-three class B fairs across the dominion. How many are there in Ontario? How many are being added this year?

Mr. GARDINER: While we are looking up the information which has been asked for, I think I might place on *Hansard* a statement which I had intended to make. This is perhaps as good a time as any to give it.

Under the authority of orders in council P.C. 2294 and 2295 of June 6, 1947, the basis upon which assistance will be given to class A and class B exhibitions and to winter fairs by the Department of Agriculture is now established. This basis has the support of the Canadian association of fairs and exhibitions, with which organization the question was discussed in detail some months ago. As in pre-war years, financial support will be given by the department to all the above classes of fairs in featuring activities of junior farm club organizations and in securing judges. The main departmental grant to class A and class B exhibitions, with the same maximum limitations as applied in pre-war years will, however, in future be centred on financing capital expenditures rather than current expenditures as in the past. Owing to their limited opportunity to obtain revenue from gate receipts, et cetera, winter fairs may utilize the departmental grant for which they qualify in financing either capital or current expenditures.

Eligibility for classification as either class A or class B exhibitions in each province will, as in the past, be determined in consultation with the provincial department of agriculture. Among other things, the average prize money awarded by a fair in utility classes of live stock, poultry, grain, vegetables, fruit, dairy products and honey in the three years prior to that in which the application for such classification is made, and the location of the fair in relation to other fairs already classified, will be important factors in determining eligibility.

Each exhibition association interested in securing assistance from the department toward its capital expenditures on improvements will be expected to submit its proposal in time to permit of agreement being reached prior to undertaking the work. Acceptance of an application will be conditional upon at least one-half of the cost of the undertaking being financed by the association itself.

It is evident that many exhibitions and fairs will wish to take advantage of this assistance in undertaking improvements, toward the cost of which the departmental grant available in one year would represent a very minor contribution. To enable them to finance such undertakings, the department is now authorized to enter into formal agreements covering departmental grants over periods in no case exceeding ten years. Each such agreement will be subject to final approval by the governor in council. I might explain that by saying that the amount for this purpose to a class B fair is $1,800 and to a class A, $2,500 a year. It will be possible by arrangement to have the entire amount over a ten-year period or less spent in the one year.

Mr. ROBINSON (Bruce): Do I understand that the $1,800 has to go to capital improvement?

Mr. GARDINER: The $1,800 has to go to the improvement of facilities that are being used by the fair board, and I presume that that could properly be called a capital expenditure. But if they wish to make, let us say, a $18,000 expenditure, or a $36,000 expenditure, $18,000 of which is to come from this government, then it can be arranged that ten yearly grants can be spent in the one year, but there would be no regular grants paid during that ten-year period. The same would be true with regard to the $2,500 grants provided for class A fairs.

Periodically, requests are received from exhibition associations for assistance in constructing buildings or other major capital undertakings, the cost of which would greatly exceed that which could be approved under the general plan of departmental assistance in two-way agreements. In such cases the department is now authorized, subject to the final approval of the governor in council in each case, to reach agreement with such associations, under which the departmental assistance over a maximum period of ten years will not exceed one-third of the total cost of the undertaking, and will be limited to a maximum annual amount of $10,000.

This means that over a ten-year period it might be possible for an arrangement to be made to spend $100,000, which would be provided by the federal government. In other words, if an expenditure of $300,000 was to be made and if an arrangement was made with the province to spend $100,000 and with the association or city concerned to take care of $100,000, the federal government might take care of $100,000 over that period of time, provided that, after discussions had taken place, the council could be convinced that this was the proper procedure to follow in that particular case.

In answer to the hon. member, I would say that there are thirteen class B fairs in Ontario. They are at Barrie, Belleville, Brampton, Galt, Kingston, Leamington, Lindsay, Port Arthur, Renfrew, Richmond, Simcoe, Stratford and Woodstock.

Mr. ROBINSON (Bruce): Is the department considering any class B fairs this year?

Mr. GARDINER: There are some under consideration. The statement which I have just given outlines the conditions under which they may be admitted. It is based on their record for the past three years and on the discussions with the provincial governments.

Mr. ROBINSON (Bruce): I understand that an application has been made by Teeswater. Teeswater is strictly a rural district; you cannot by any stretch of the imagination find anything urban about that district. I have been led to believe that there is a probability that two class B fairs will be added this year, and these are what I would class as semi-urban. My information may be wrong, but I understand that they are to be at Markham and Welland. I think I am justified in asking the minister to see that Teeswater does not miss out to those two places.

Mr. GARDINER: I understand that all three places have made application. Those applications are being considered but no decision has yet been reached.

Mr. CARDIFF: The fair at Teeswater is not in my riding, being in Bruce, but I wish to say that it is considered to be one of the best, if not the best fall fair west of Toronto. It draws three times the crowd that other fairs do, and I think its reputation in the past ten years will substantiate that. I certainly ask the minister to give due consideration to this application. It is an absolutely rural fair, there being no cities within miles of it.

Mr. ZAPLITNY: I notice in the details on page 94 of the main estimates mention is made of nineteen class A fairs at $4,000 each and forty-three class B fairs at $2,500 each. In the statement made by the minister a few

moments ago, he seemed to indicate that the grant to class B fairs was to be $1,800, and I am not just clear where the difference comes in. Has there been a change in policy and has the amount for class B fairs been reduced from $2,500 to $1,800?

Mr. GARDINER: There is a grant of $500 for the boys and girls club and there is a grant of $200 in connection with judges. Then, for class A fairs these grants are $500 and $500, which raises the total grant. There are these other special grants. The total given in the statement is exactly the same as it was before the war.

Mr. ZAPLITNY: The total is still $2,500 for class B fairs?

Mr. GARDINER: Yes.

Mr. ZAPLITNY: The minister indicated that applications for eligibility as class B and class A fairs will be considered in consultation with the provincial department of agriculture. The minister may have some knowledge of the situation in Dauphin, where the agricultural society for many years put on what is known as a class B fair. It was on the class B circuit. But during the war it was found impossible for it to continue because the entertainments were not available. War conditions caused it to drop out of the circuit for the time being, and that put them in a lower category. Since the war, they have not been able to get back on the class B circuit because their dates have been taken by other fairs. What is done in a case of that kind? Have they to put in their application anew to qualify as a class B fair or, in view of the fact that they have been a class B fair for a period of years before the war and put on an excellent fair, will they be considered as a class B fair in the future? It is through no fault of their own that they are not on the class B circuit. It is simply because their dates have been taken by other organizations.

Mr. GARDINER: Those that were class B fairs when the war started are still rated by us as class B fairs. A letter has already gone to Dauphin asking them if they want to take advantage now of being put on the basis of B fairs.

Mr. McLURE: Would the minister put on the record the nineteen class A fairs?

Mr. GARDINER: The class A fairs are Charlottetown, Prince Edward Island; Halifax, Nova Scotia; Saint John, New Brunswick; Lachute, Sherbrooke, St. Hyacinthe, Three Rivers and Valleyfield, in Quebec; London, Ottawa, Peterborough, Toronto, in Ontario; Brandon, Manitoba; Regina and Saskatoon, Saskatchewan; Calgary and Edmonton, Alberta; Vancouver and Victoria, British Columbia.

Mr. McLURE: Amherst is included in the winter fairs and gets a grant of $5,000. The Amherst fair takes in three provinces: Nova Scotia, New Brunswick, and Prince Edward Island. Besides this grant of $5,000, there is a building grant of the same amount, is there not, making a total of $10,000? The same applies to all the other provinces. I was wondering whether the minister in the supplementaries, in view of the fact that Amherst fair serves three provinces, could not increase the grant for the winter fair at Amherst.

Mr. GARDINER: The plan for the winter fairs is that we make a grant of $5,000, and they may utilize that either for current expenditure or capital expenditure. Of course they would also be able to benefit by the other plans that are proposed here of capitalizing that expenditure over a period of years.

Mr. WRIGHT: Has any consideration been given to increasing the number of class B fairs in Saskatchewan? The town of Nipawin and the agricultural society there have been anxious to get into the class B circuit. They are situated in an exceedingly good mixed farming area and have a live board of directors, and very fine grounds, and are prepared to put on an up-to-date class B fair in that area. Would the minister say whether their application is being given consideration and if there is a chance of Nipawin getting into the class B circuit in Saskatchewan?

Mr. GARDINER: The present class B fairs in Saskatchewan are Estevan, Lloydminster, Melfort, Moose Jaw, North Battleford, Prince Albert, Weyburn and Yorkton. Those are the fairs which are now in the class B circuit. The only comment I would make at the moment is that Melfort and Nipawin are not very far apart. They are practically in the same district. I am not aware that consideration has been given to Nipawin up to date.

Mr. FRASER: In regard to these capital grants, if a fair board cannot put on a fair this year, are they allowed to make application for this capital grant? Some may not have their grounds ready this year.

Mr. GARDINER: Yes, they are able to make application.

Mr. FRASER: They can make application for that capital grant?

Mr. GARDINER: Yes.

Mr. FRASER: Thank you.

Mr. McKAY: What is the record of the class C fairs held in the dominion? Has any consideration been given to making an advance to these fairs on a smaller scale than the grant for the class B fairs?

Mr. GARDINER: I have not the record for the class C fairs. Consideration has been given many times to whether we should support the class C fairs and the decision has always been against it.

Mr. McKAY: There has never been a grant given to the class C fairs?

Mr. GARDINER: There were a few small building grants, as relief payments, made in 1938 and 1939.

Mr. MARQUIS: Will the regulations be amended to facilitate the admission of new fairs into the class B circuit?

Mr. GARDINER: There are regulations which now provide for their admission. Their record over the three years preceding their application is taken into consideration, and there is also discussion with the provincial government to determine the distribution of the fairs in the province.

Mr. MARQUIS: That applies in the province of Quebec?

Mr. GARDINER: In all the provinces.

Item agreed to.

Marketing service—

23. Marketing service administration, $122,749.

Mr. SMITH (Calgary West): I wish to say something to the right hon. minister in regard to beef cattle. I realize that this has been discussed before and I intend to be brief. What I am urging is the opening of the cattle market to the United States. But, first, could the minister give me approximate figures for any year which he has as to the number of Argentine, United States and Canadian beef imported into Great Britain, and can he tell me the price spread which Britain is paying to these three countries? I know the highest price goes to the United States, the next to Canada, and the lowest price to the Argentine. At least that is my information.

I point to something else. In 1944 we shipped to the United States dairy cattle to the value of over $4 million; in 1946 we shipped dairy cattle to the value of over $7 million. In other words, the increase was almost 100 per cent, and yet not one beef animal was shipped during that period. What I am anxious to know is why the man who grows the beef is discriminated against in that particular way.

I intend to read two extracts from a copy of a letter which has come to my possession, a letter written by Mr. W. L. Clayton, undersecretary of state for economic affairs of the United States government. It is dated January 29, 1947, and was written to a United States senator. I may say that this letter was prompted by an inquiry made by a large rancher in southern Alberta to a senator whom he knew in Salt Lake City. He communicated with Mr. Clayton and this is the reply. He says:

> The action taken by the Canadian government in 1942 prohibiting exports of cattle was designed to make available for export to England maximum quantities of beef and other meats. It was in order to ensure the delivery of the large quantities of meat required during that critical period that the Canadian government undertook to buy and ship the meat on a government to government basis.

Then, skipping a portion of it which I do not consider relevant, I continue:

> This procedure appears to have been continued as the most practicable and efficient means of meeting commitments later incurred in the Anglo-Canadian meat contracts. These contracts and similar ones which the United Kingdom has concluded with some of the other dominions are understood to have been motivated by the desire on the part of the United Kingdom to secure during the period of uncertainty both as to supply and price adequate supplies of foodstuffs at reasonable prices.

I do not think there is anything controversial so far. I continue:

> In fact this government has pointed out to both the United Kingdom and Canada that it considers such long-term bulk purchasing contracts on a fixed price basis to be incompatible with plans for the removal of barriers to trade to which both governments have given their support.

It seems to me that that is almost self-evident as well. Then he goes on in the last paragraph as follows:

> With regard to the department's attitude toward the importation of Canadian cattle, it is our desire that all war-time controls be ended as soon as the purposes for which they were imposed cease to exist. This is in accord with our commercial-policy objective of an expanding international trade open to private enterprise on a competitive and non-discriminatory basis. The Canadian government has expressed a similar attitude. Therefore, if the Canadian government should be willing to allow the exportation of cattle to the United States, the department would have no objection. Cattle imported into the United States would, of course, be subject to import duties as modified under the trade agreement act.

I mentioned that in 1944 we shipped $4 million worth of dairy cattle and in 1946, $7

million worth. I was not referring to the pure-bred animals which are admitted into the United States duty free; I was referring to grade dairy cattle which went in under a duty of a cent and a half a pound or whatever it is. As the minister knows, the Mexican quota has been stopped because of foot and mouth disease in that country. The importation of cattle from there is closed at the present time. The suggestion I am making in all seriousness to the minister—I know he is sympathetically inclined to the idea—is that we should now, without further delay, get some shipments into the United States while the duty remains as it is. I realize fully that we shall be met with the difficulty with respect to supplying our contracts to the old country but this is what I greatly fear, with the greatest respect for the minister. I am not saying that the minister is devising a policy to hurt this country; I do not make stupid criticisms of that kind. I am quite sure that he feels he is doing what is in the best interest of the producers of this live stock; but I have seen a number of them lately. I am not referring to the small ones; I am referring to the large ones, and they have a real fear that if we cannot continue some flow of cattle across that line, we shall lose that market. In fact they state definitely that if this one-way traffic with Great Britain is continued until 1950 we shall lose that opportunity. As the minister agreed once before, the United States is our natural and logical market. The live stock producers greatly fear that something may happen in the meantime by which the opportunity of shipping to the United States may be lost. It is certainly simple. Once matters have adjusted themselves, where is Great Britain to look for her cattle? She will look in the cheapest place she can buy them. There is no doubt about that. We know we cannot raise beef cattle in this country at a price comparable with the Argentine, because in that country they do not have to do any feeding; they have year-round pasture. The only feeding that they do is a little finishing at the end of the road.

Having regard to the fact that Mexico is cut off not by their action, but by an embargo because of foot and mouth disease, I suggest, with the greatest respect, and with some hope, that the minister find ways and means to permit some of our cattle to go across the line. It is a well known fact that today there are more beef cattle on the hoof in Canada than there have ever been. I assume that much of the beef which goes to England is killed and shipped as chilled or perhaps frozen meat or something of that kind. Here is the place to put a lot of cattle which are on the hoof in western Canada today. I ask that the minister give this matter further consideration and that something may come of it even at this late day.

Mr. GARDINER: I should like to refer to one or two of the remarks made by the hon. member. In the first place, the statement that was given by Mr. Clayton in the letter which was read is not news so far as we are concerned. The attention of the British government and also of the Canadian government was called to the possibility of a long-term contract being contrary to the spirit and letter of the international agreement or the international trade conference idea which had been presented to the united nations by the United States. But when they made that protest it was not made to the Canadian government; it was made to the British government, and the Canadian government was acquainted with the fact that they had made it. The British government was just as definite in its reply that it did not contravene the proposals which had been made by the United States; and I understand that, since the meeting was convened in Geneva to discuss the international trade organization arrangements, Mr. Clayton himself admitted that it was not contrary to the proposals which were made by the United States government for the convening of the international organization meeting, that this type of agreement be made. That is with regard to the one matter which is referred to and which I have seen in print in this form for the first time when this letter is handed to me, and I think it is only fair I should say that at the time the British government replied definitely to the statement and said that it was not in accordance with their understanding of the proposal. I understand now that the United States government and the British are in agreement that it is not, and that type of contract is in agreement with the principle laid down by the Americans in their proposal.

With regard to the matter of the Mexican boundary line being closed, that of course is a matter of fact. The Americans have refused to take cattle from Mexico because of a foot and mouth disease which they believe to be prevalent there and which they do not wish to have introduced into the United States.

The statement made with regard to prices obtained in Britain by the United States, the Argentine and ourselves is also correct. I am not in a position to give the exact

amounts, but I think it is right to say they are paying the Americans more and the Argentine less.

Mr. SMITH (Calgary West): What is the price so far as we are concerned?

Mr. GARDINER: About twenty-five.

Mr. SMITH (Calgary West): I think the figures are: United States, thirty-five; ourselves, twenty-five, and the Argentine, as low as eleven or thirteen.

Mr. GARDINER: It depends on quality; twenty-five is the basic figure.

Mr. SMITH (Calgary West): For us?

Mr. GARDINER: Yes, and again it must be remembered that ours is a long-time contract and the others are not. That is, one cannot tell at this stage how it will average over the entire period, but there is no doubt and never has been any doubt that cattle can be produced cheaper in the Argentine than in Canada and can be laid on the British market at a lower rate than we can produce them. There is no doubt that our natural market for a long period is in the United States.

The other factors being considered are related to the necessity for having beef supplied to Britain at present, and also have something to do with what we hope will be trading relations in the future as well as the fact that price control would be affected. But particularly, for the time being, the most important factor is the fact that this meeting is being held in Geneva, and we have stated in our discussions with everyone that, so far as this kind of contract and the arrangements for it are concerned, we think we should carry on as we are doing, at least until the conference is fairly well completed and we know the direction in which we are going as a result of the conference. That is the chief factor at the moment, although the main reason at the beginning was the reason stated in this letter; and the chief reason, I would say, still for continuing even to the end of the conference, is that Britain is in greater need of beef today than she has been for a considerable period of time. No later than today the representative of Britain was in my office inquiring with regard to the possibility of getting beef. Very little beef is going to Britain at the present time, as a matter of fact none, and little has gone over for some time. Apparently we are eating all the beef in Canada ourselves at present.

Mr. SMITH (Calgary West): Could the minister give an approximate idea of the amount going to Britain over the last year from the three countries? I do not want it in dollars; I would be content with rough percentages.

Mr. GARDINER: Exports of beef cattle to the United Kingdom, in pounds, are: for 1944, 98,000,000; 1945, 184,378,000; 1946, 123,787,000. There is a reduction of about 60,000,000 pounds as between those two years.

Mr. MacNICOL: Do you mean pounds weight or money?

Mr. GARDINER: That is weight of cattle. In head that means 201,000 head in 1944, 385,000 in 1945 and 261,000 in 1946. To the United States, the numbers were: in 1944, none; in 1945, 66,000—

Mr. SMITH (Calgary West): I meant from the United States to Britain and from the Argentine to Britain.

Mr. GARDINER: I have not those figures and I doubt very much whether you could get them. During the war the British were very particular in that regard and I doubt very much whether we could get the figures. The British government has been following this practice all through the war, and it still is, of taking all the food it can get, whether the British produce it themselves or whether it comes from the Argentine, the United States or Canada, putting it into one pool; and, to avoid difficulty about supplying the product of any particular country, they say their people will get so many pounds of beef under their rationing system and it does not matter where it comes from. Apparently it is easier to administer that kind of thing if they do not advertise how much they get from this or that source.

Mr. SMITH (Calgary West): We do not know over here?

Mr. GARDINER: It would be difficult to get those figures.

Mr. SMITH (Calgary West): Apparently what we are trying to do is to get all the food we can to England. Is there not something in this point? Instead of sending $7 million odd worth of dairy cattle into the United States in 1946, could we not have got more food to England if we had retained those dairy cattle here? Certainly the products from the dairies are most excellent food, and we might have been able to save these and send some of our beef, keeping that line open.

Mr. GARDINER: The main difficulty there is the one I mentioned last night, that we have not enough feed left to feed what we have. If the others had been kept here the farmers would have found it difficult to feed

them—probably they could not have fed them at all—but they have sold their live stock to the point where they can feed what they have left.

Mr. BOUCHER: Can the minister give a statement on the relationship of the export of meat products to Britain, up to the present time this year, as compared with the corresponding period last year?

Mr. GARDINER: We will get that for the hon. member at the next sitting.

Progress reported.

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

Monday, June 16, 1947

The house met at three o'clock.

CARILLON AT NIAGARA FALLS

INSTALLATION AT INTERNATIONAL BOUNDARY—QUESTION OF INSCRIPTION ON LARGE BELL

Hon. LIONEL CHEVRIER (Minister of Transport): Mr. Speaker, I rise on a question of privilege. On Friday evening the hon. member for Simcoe North (Mr. Ferguson) attempted in committee of the whole to raise a question of privilege with regard to the inscription on the large bell of a carillon being installed at Niagara Falls by the Niagara Falls bridge commission. The hon. member for Peel (Mr. Graydon) referred, and the press has also referred, to the statement that three ministers of the crown were involved.

I was one of the ministers concerned, and I have no apology to make for what I have done. The inscription on the bell came to the attention of the federal government as a result of an application by the secretary of the Niagara Falls bridge commission for remission of customs duty on the bells, which were cast in England. The inscription is headed with the name "Churchill" in capitals. The name is followed by a verse which I shall not read. Then come the words:

> To God's glory and in grateful memory of our nation's leaders, Winston Spencer Churchill and Franklin Delano Roosevelt.

Hon. members will note the expression "our nation's leaders". Remember that this bell is being installed on the international boundary between Canada and the United States, not between Britain and the United States. The purpose of the inscription at once becomes obvious. It is clearly intended as an affront to the Prime Minister of Canada (Mr. Mackenzie King). Surely it is equally an affront to Canada to suggest that our country has to seek its leaders outside its own boundaries.

I did what I believe any other real Canadian would have done in the circumstances. Together with my colleagues from Ontario we drew the attention of two of the Canadian members of the bridge commission to the impropriety of such an inscription in Canada. The members of the commission in question were Mr. A. J. Haines, the chairman, and Mr. Ross Harstone. I have here a statement from the chairman of the commission as to what followed. Mr. Haines' statement reads:

> Mr. Harstone and I were both extremely indignant on learning of the inscription which had been placed on the great bell of the carillon. The inscription in question had been placed there apparently on the sole responsibility of Mr. T. B. McQueston, who, at the time the bells were ordered, was chairman of the commission. The inscription had never been submitted to, much less approved by, the other commissioners.
>
> Our first action was to seek technical advice as to the possibility of removing the inscription without harming the tone of the bell. We learned that this would be possible. I then called a meeting of the commission which was held on Wednesday, June 11, at which it was decided to have all the names removed from the inscription, so that the inscription would read, "To God's glory and in grateful memory of our nation's leaders."
>
> In making this change, no disrespect to anyone is intended and none is involved. Indeed the purpose is to remove disrespect.
>
> Mr. McQueston's statement regarding the technical difficulties and cost of removing the names is completely inaccurate. It is surely most unbecoming in one who acted arbitrarily, and without the authority of his colleagues on the commission, in placing the inscription on the bell, to misrepresent the action of the majority of the commission when they are seeking to repair his error.

It will be clear from this statement by Mr. Haines that no pressure was required from federal ministers or anyone else. Once the members of the commission knew the facts, the majority, both of Americans and Canadians, were eager to remove this affront to the Prime Minister of Canada, as well as to other leaders in Canada's war effort, and to Canada as a nation.

EXTERNAL AFFAIRS

PRESENTATION OF SEVENTH REPORT—MOTION FOR CONCURRENCE IN FIFTH AND SIXTH REPORTS

Mr. J. A. BRADETTE (Cochrane) presented the seventh report of the standing committee on external affairs.

Mr. BRADETTE moved:

That the fifth and sixth reports of the standing committee on external affairs, presented to the house on Friday, June 13 last, be now concurred in.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I should like to get more information from the chairman of this committee about these reports five and six, which were presented last Friday. They were in *Votes and Proceedings,* and they had to do with the atomic bomb and the UNO farce. Now we have another report being presented today. The foreign affairs matters on May 23 and on the order paper today have not been considered at all. I should like to ask the chairman to postpone the motion for concurrence in these reports because they deal with matters of importance and some hon. members are away, including the hon. member for Peel (Mr. Graydon). I think the motion should stand because the government should take up all these questions of dissolution of the empire and decide them. The committee forgot all about these main questions; they have ignored them altogether. The committee has not been fulfilling the functions for which it was appointed. It ought to be discharged at once.

Motion agreed to.

REFERENCE OF CERTAIN ESTIMATES TO COMMITTEE OF SUPPLY

Hon. DOUGLAS ABBOTT (Minister of Finance) moved:

That items 41 to 56 both inclusive of the estimates for 1947-48, approved and reported on by the standing committee on external affairs, be referred to the committee of supply.

Motion agreed to.

PRIVATE BILLS

FIRST READING—SENATE BILLS

Bill No. 294, to incorporate Commonwealth Insurance Company.—Mr. Maybank.

Bill No. 295, for the relief of Rose Nemerofsky Silverstein.—Mr. Maybank.

Bill No. 296, for the relief of James Albert Carruthers, otherwise known as James Albert Fell.—Mr. Maybank.

Bill No. 297, for the relief of Ronald Edwin George.—Mr. Maybank.

Bill No. 298, for the relief of Margaret Lena Bertha Dasen Scheffer.—Mr. Maybank.

Bill No. 299, for the relief of Ethel Mary McKenzie Cramp.—Mr. Maybank.

Bill No. 300, for the relief of Evelyn Alice Howard Smart.—Mr. Maybank.

Bill No. 301, for the relief of Mary Margaret Tibbins Gogo.—Mr. Maybank.

Bill No. 302, for the relief of Alfred Nelson Nickle.—Mr. Maybank.

Bill No. 303, for the relief of Arthur Haigh McGill.—Mr. Maybank.

Bill No. 304, for the relief of Clinton Leslie Dobson.—Mr. Maybank.

Bill No. 305, for the relief of Bernard Stanley Bailey.—Mr. Maybank.

Bill No. 306, for the relief of Archie William Young.—Mr. Maybank.

Bill No. 307, for the relief of Olive Lever Sanborn Lead.—Mr. Maybank.

Bill No. 308, for the relief of John Mackie.—Mr. Maybank.

Bill No. 309, for the relief of Isabel Mercer Lebœuf.—Mr. Maybank.

Bill No. 310, for the relief of Hilda Irene Gordon Lazarus.—Mr. Maybank.

Bill No. 311, for the relief of Mary Margaret Bernice Walker Kennedy.—Mr. Maybank.

Bill No. 312, for the relief of Gertie Rabin Bard.—Mr. Maybank.

Bill No. 313, for the relief of Ruth Morrison Henderson Sidders.—Mr. Maybank.

Bill No. 314, for the relief of Philip Berger.—Mr. Maybank.

Bill No. 315, for the relief of Harold Swann.—Mr. Maybank.

Bill No. 316, for the relief of Margaret Isabelle Curry.—Mr. Maybank.

Bill No. 317, for the relief of Rosamond Edith Bean Crease.—Mr. Maybank.

Bill No. 318, for the relief of Alma Mary Hanway Eccles.—Mr. Maybank.

Bill No. 319, for the relief of Alberta Dorothy Olson Colby.—Mr. Maybank.

Bill No. 320, for the relief of Clair Reginald McLaughlin.—Mr. Maybank.

Bill No. 321, for the relief of Eugene Klein.—Mr. Maybank.

Bill No. 322, for the relief of Daniel Hudson.—Mr. Maybank.

Bill No. 323, for the relief of Eileen Edna Paget Bray Dundas.—Mr. Maybank.

Bill No. 324, for the relief of Jessie Goodis Markis.—Mr. Maybank.

Bill No. 325, for the relief of Julia Luella Audrey Cleroux Babbage.—Mr. Maybank.

Bill No. 326, for the relief of Mile Kristo Yoja, otherwise known as Stanley Vadic.—Mr. Maybank.

Bill No. 327, for the relief of Anthony Wavroch.—Mr. Maybank.

Bill No. 328, for the relief of Mary Magee Glasheen.—Mr. Maybank.

Bill No. 329, for the relief of Mary Ann Clorenda Archer Richardson.—Mr. Maybank.

Bill No. 330, for the relief of Gladys May Kay Oliver.—Mr. Maybank.

Bill No. 331, for the relief of Henry Thomas Matthews.—Mr. Maybank.

Bill No. 332, for the relief of Ivy Stapleton Brown.—Mr. Maybank.

Bill No. 333, for the relief of John William Sydney Jordan.—Mr. Maybank.

Bill No. 334, for the relief of Pamela Mary Gottschalk Muckell.—Mr. Maybank.

Bill No. 335, for the relief of Winnifred Doris Cleaver Wooley.—Mr. Maybank.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

NATIONAL FILM BOARD—INSPECTORS OR FIELD MEN

Mr. FRASER:

1. Does the national film board employ inspectors, or field men, whose duty it is to check on film councils throughout Canada?
2. If so, what are the names of these men, or women?
3. What salary does each of these employees receive?
4. What was the total travelling and other expenses allowed to each of these employees during the year 1946?

Mr. McCANN:

1. No.

2, 3, 4. See Answer to No. 1.

LOSS OF S.S. "EMPEROR"

Mr. CHURCH:

What is the nature of the inquiry being held by the government into the disaster of the S.S. *Emperor*, thirty-five miles south of Port Arthur on Thursday morning last?

Mr. CHEVRIER: A preliminary inquiry, under the provisions of section 548 of the Canada Shipping Act, was held on June 6th by Captain W. N. Morrison, supervising examiner of masters and mates, Toronto, Ontario. As a result of this inquiry, a formal investigation, under the provisions of section 551 of the said act, will be held at an early date.

LIFE SAVING STATIONS

Mr. CHURCH:

What life saving stations has the government on the following lakes: Lake Ontario, Lake Huron, Georgian bay, Lake Superior, and adjacent waters; where are they located and what life saving equipment have these stations, if any?

Mr. CHEVRIER: None at present. As pointed out in an answer to another question tabled today, life saving stations were previously maintained during the navigation seasons at points on the great lakes but, due to the small volume of service they were called upon to render, they were abolished, the last to be maintained being Point Pelee, Ontario, which was not reopened after the 1940 season of navigation.

[Mr. Abbott.]

Mr. CHURCH:

1. Does the government contribute anything towards the life saving station at Toronto?
2. What sum of money has been spent during 1947 on life saving on the inland waterways of Canada, and where?
3. Who is responsible for this work?
4. Are all Canadian registered ships required to have radio equipment on board?

Mr. CHEVRIER:

1. No. The life saving equipment in use at Toronto is maintained by the Toronto harbour commissioners.

2. No actual life saving stations are operated on the great lakes at present, but as pointed out in an answer to another question tabled today the department does maintain and operate on the great lakes, between Kingston and the Canadian-U.S. border near Fort William, 426 light stations, fog alarm plants and light and signal buoys as well as approximately 1,100 unlighted buoys, beacons, etc. In addition government vessels are available on short notice to render assistance to vessels in distress in their immediate vicinity.

3. The Department of Transport has no knowledge of any formal responsibility existing with regard to life saving facilities other than those required to be provided under the Canada Shipping Act.

4. No, not all.

Mr. CHURCH:

1. What has been done since 1928 to provide adequate life saving stations and appliances and equipment on the Great Lakes, and how many sailors were lost there in the fall season of 1927?
2. What action has been taken to prevent merchant ships operating without adequate aids to navigation?
3. What agencies have afforded aid to Canadian ships in distress on the Great Lakes?

Mr. CHEVRIER:

In so far as the Department of Transport is concerned:

1. Life saving stations were previously maintained during navigation seasons at points on the great lakes but, due to the small volume of services they were called upon to render, they were abolished, the last to be maintained being Point Pelee, Ontario, which was not reopened after the 1940 season of navigation.

According to departmental records, 22 lives were lost as the result of shipping casualties reported on the lakes during 1927—20 in the founding of the S.S. *Kamloops*, and 2 in the stranding of the S.S. *Lambton*, on December 4 and 9, 1927, respectively.

2. (a) (i) The life saving appliances and equipment required to be carried in ships operating on the great lakes are specified in the regulations respecting life saving appliances made under authority of paragraph (b)

of section 405 of the Canada Shipping Act, 1934, as approved by order in council P.C. 3 of the 6th day of January, 1937.

(ii) All merchant ships operating on the great lakes are required by the terms of section 387 of the Canada Shipping Act, 1934, to have the hull and equipment inspected by the steamship inspectors at least once a year, and inspectors are required to ascertain that the ships are equipped with all equipment necessary for safe navigation, and certificates of inspection are not issued until this equipment is on board.

(b) There are on the great lakes between Kingston and the Canadian-U.S. border near Fort William, 426 lightstations, fog alarm plants and light and signal buoys and in addition thereto there are approximately 1,100 unlighted buoys, beacons, etc. Also, there are seven ship-to-shore radio telegraph and telephone stations to provide constant 24-hour communication with ships on all the great lakes. These stations regularly broadcast weather forecasts, storm warnings and notices of dangers to navigation. There are also fifteen automatic radio beacons from which ships take their bearings by radio.

3. Salvage companies, Canadian government vessels and U.S. government vessels.

ROWELL-SIROIS COMMISSION—LEGAL ADVISERS

Mr. GAGNON:

1. Did the Rowell-Sirois commission have any legal advisers?
2. If so, what are their names ?
3. What were the conditions of employment of the said legal advisers?
4. How long was each one employed?
5. What amount did each one receive for his fees and other expenses?

Mr. MAYHEW:

1. Yes.

2. J. McGregor Stewart, K.C., Halifax; Louis S. St. Laurent, K.C., Quebec.

3. $150 per day and actual travelling expenses.

4. J. McGregor Stewart, K.C.—126 days; Louis S. St. Laurent, K.C.—81 days.

5. J. McGregor Stewart, K.C., fees, $18,900; travelling expenses, $2,315.27. Louis S. St. Laurent, K.C., fees, $12,150; travelling expenses, $506.69.

PASSPORTS

Mr. POULIOT:

Why, since when, and in virtue of what authority is an application for a passport considered as a confidential document?

Mr. ST. LAURENT: The application for a passport contains statements of a personal nature which are made by the applicant to the department in order to obtain a passport. It is considered that these statements are made in confidence and are privileged. The information contained in a passport application might, howver, be revealed if there were an overriding public interest in the particular instance. Likewise, information would be divulged to an appropriate inquirer if the person who had made the application has given his consent, or if the circumstances are such that it may be assumed that he would wish to have the particular information revealed to the inquirer, e.g., giving information to the executor of an estate in order that the date of birth of the deceased person may be established for the purpose of payments of life insurance.

It would appear from the records of the department that applications for passports have at all times been considered to be confidential documents.

The issuance of passports is an exercise of the royal prerogative. There is no statutory authority for the issuance of passports in Canada, although there are several orders in council with respect to such matters as the fees to be charged for the issuance and renewal of passports. The royal prerogative is exercised through the Secretary of State for External Affairs, who decides whether information contained in applications for passports shall be made public.

HEALTH AND WELFARE—FILMS ON HEALTH EDUCATION SUBJECTS

Mr. GOLDING:

1. Does the Department of National Health and Welfare propose to produce any films on health education subjects?
2. What films, if any, are now in production?
3. What films have been produced in the last year?
4. Who produces such films and what is the cost?
5. Have any of these films been produced for commercial distribution?
6. Does the department produce films in both English and French?

Mr. MARTIN:

1. Yes.

2. (a) A five-reel film in technicolor on pre-natal and post-natal care for the child and maternal health division.

(b) A two-reel film on restaurant sanitation for the health branch.

(c) A two-reel film on recreation and physical fitness for the physical fitness division.

(d) A one-reel film on rodent control for the health branch.

(e) A one-reel animated cartoon film on nutrition and diet for the nutrition division.

(f) A two-reel film on oral hygiene for the dental health division.

(g) A two-reel film on rural sanitation for the health branch.

3. (a) A two-reel film entitled "Your morning milk", stressing need for pasteurization, for the public health engineering division.

(b) A one-reel film entitled "What's on your mind" (cost shared with the national film board).

(c) A one-reel film entitled "Small Fry".

(d) A two-reel film on water purification entitled "Let's Look at Water" for the health engineering division.

(e) A two-reel film for professional group therapy use entitled "Mental Mechanisms—the Feeling of Rejection, its Development and Growth", produced for the mental health division.

(f) A three-reel film dealing with occupational therapy entitled "Condition Improved" made in collaboration with the Department of Veterans Affairs and the cost shared by two departments.

(g) French version of a one-reel film for the Victorian Order of Nurses.

(h) A one-reel film entitled "Know Your Baby".

4. All the above films, except 3 (h), were produced by or through the national film board. "Know Your Baby" was purchased after completion by Crawley Films Limited, Ottawa. Costs range from $5,000 to $46,000, depending on the length, subject matter, amount of synchronized sound necessary and other considerations.

5. Yes, 3 (b) and 3 (c).

6. Yes.

HEALTH AND WELFARE—LEGISLATIVE MEASURES WITH CONTRIBUTIONS FROM PROVINCES

Mr. BERTRAND (Terrebonne):

1. Does the Department of National Health and Welfare administer any legislative measures the operation of which depends on an equal or partial contribution from the provinces?

2. If so, what are such measures?

3. Was the province of Quebec asked to contribute to each one of them? If so, to which measures did the said province agree or refuse to agree?

Mr. MARTIN:

1. Yes.

2. The National Physical Fitness Act; the Old Age Pensions Act.

3. The same offer was made to the province of Quebec, in the terms of the legislation on the statute books, as was made to all the other provinces. In 1936 the province of Quebec took advantage of the offer contained in the Old Age Pensions Act. Up to the present time the province of Quebec has not taken advantage of the offer contained in the National Physical Fitness Act.

[Mr. Martin.]

PRAIRIE FARM ASSISTANCE—ONE PER CENT DEDUCTION FROM GRAIN TICKETS

Mr. WINKLER:

1. By provinces, how much has been paid out under P.F.A.A. since its inception until January 1, 1947, or any convenient date this year?

2. As above, by provinces, how much has been contributed to the P.F.A.A. through 1 per cent deductions from grain tickets by the Canadian wheat board and/or any marketing agencies.

Mr. GARDINER:

1. Amount of awards paid under the Prairie Farm Assistance Act to March 31, 1947: Manitoba, $1,720,474.13; Saskatchewan, $54,188,578.69; Alberta, $16,344,203.04.

2. Amount collected through the 1 per cent levy to March 31, 1947: Manitoba, $4,265,918.28; Saskatchewan, $14,736,773.12; Alberta, $7,378,755.79.

OLD AGE PENSIONS—QUEBEC

Mr. BERTRAND (Terrebonne):

1. In what year did the dominion parliament enact the Old Age Pensions Act?

2. In what year did the province of Quebec adhere thereto?

3. Since then, what has been the total cost of old age pensions in the province of Quebec, each year?

4. What has been, each year, the share contributed by the dominion government?

Mr. MARTIN:

1. 1927.

2. 1936.

3. On account of adjustments between provinces the dominion does not publish the total expenditure of any province. A province's share of the cost of old age pensions is approximately one-third of the dominion's contributions to the province.

4. The dominion's contributions to the province of Quebec for each fiscal year from 1936-1937 to 1946-1947 were as follows:

Fiscal Year	Dominion's Contribution
1936-37	$ 2,345,107.05
1937-38	8,386,230.60
1938-39	7,637,019.04
1939-40	7,758,257.34
1940-41	7,199,832.61
1941-42	6,762,038.15
1942-43	7,048,885.34
1943-44	8,535,362.81
1944-45	10,386,114.68
1945-46	10,823,345.20
1946-47	11,466,940.27

FAMILY ALLOWANCES—QUEBEC

Mr. BERTRAND (Terrebonne):

1. In what year was the Family Allowances Act enacted by the dominion parliament?

2. Since then, what has been the amount of family allowances distributed, each year, in the province of Quebec?

Mr. MARTIN:

1. 1944.

2. July 1, 1945 (date of first payments)—March 31, 1946, $57,978,816; April 1, 1946-March 31, 1947, $82,614,860; April 1, 1947-May 31, 1947, $14,536,695.

PENSIONS TO THE BLIND—QUEBEC

Mr. BERTRAND (Terrebonne):

1. In what year did the dominion parliament establish an act respecting pensions to the blind?

2. In what year did the province of Quebec adhere thereto?

3. Since then, what has been the total cost of such pensions in the province of Quebec, each year?

4. What has been the total share of the dominion government, each year?

Mr. MARTIN:

1. 1937.

2. 1937.

3. On account of adjustments between provinces the dominion does not publish the total expenditure of any province. A province's share of the cost of pensions for blind persons is approximately one-third of the dominion's contribution.

4. The dominion's contributions to the province of Quebec for each fiscal year from 1937-38 to 1946-47 were as follows:—

Fiscal Year	Dominion's Contributions
1937-38	$ 57,028.48
1938-39	263,451.54
1939-40	294,276.96
1940-41	336,873.46
1941-42	365,525.53
1942-43	379,129.29
1943-44	452,061.25
1944-45	530,168.53
1945-46	568,427.51
1946-47	605,760.62

HEALTH AND WELFARE—LEPER STATIONS

Mr. PEARKES:

1. How many leper stations are operated under the Department of National Health and Welfare?

2. Where are they located?

3. What is the annual cost of maintenance of each?

4. How many lepers are there at each station?

5. What has been the average number of lepers at each station during the past ten years?

Mr. MARTIN:

1 and 2. At Bentinck island, B.C. a lazaretto is maintained.

At Tracadie, N.B., leper patients are housed in a separate wing of a hospital maintained by the sisterhood of the Hotel Dieu de Saint Joseph.

3. 1946-1947—Bentinck, $4,941.41; Tracadie, $8,246.60.

4. 1946-1947—Bentinck, 3; Tracadie, 7.

5. 1946-1947—Bentinck, 2·8; Tracadie, 7·5.

DEPARTMENT OF LABOUR—LEGISLATIVE MEASURES WITH CONTRIBUTIONS FROM PROVINCES

Mr. BERTRAND (Terrebonne):

1. Does the Department of Labour administer any legislative measures the operation of which depends on an equal or partial contribution from the provinces?

2. If so, what are such measures?

3. Was the province of Quebec asked to contribute to each one of them? If so, to which measures did the said province agree or refuse to agree?

Mr. MITCHELL:

1. Yes.

2. Vocational Training Coordination Act—

(a) Youth training agreement;

(b) Apprenticeship training agreement;

(c) Training of veterans' agreement;

(d) Retraining of civilian workers' agreement;

(e) Assistance to vocational schools' agreement.

Dominion-provincial farm labour programme, funds for which are provided under appropriation for Department of Labour for 1947-48.

3. Vocational training coordination act—of the measures listed under (2) above, the province of Quebec has accepted the following:

(a) Youth training agreement;

(c) Training of veterans' agreement;

(e) Assistance to vocational schools' agreement.

Dominion-provincial farm labour programme.

(It is expected that Quebec will continue to participate in this programme in 1947).

Note.—There is another act—the old technical education act which was extended in 1944 and calls for contribution by the province of Manitoba only. This is an extension of the original act under which all the provinces benefited but Manitoba is the only province with an unexpended credit balance remaining, and the act was extended to enable the province of Manitoba to use up its credit.

QUESTIONS PASSED AS ORDERS FOR RETURNS

NATIONAL DEFENCE—LENDING OR LEASING OF TENTS

Mr. LENNARD:

1. Is the Department of National Defence loaning or leasing tents to other than cadet corps this year?
2. If so, to whom; in what quantities and if leased, at what rates?

INCOME TAX—VARIOUS CATEGORIES

Mr. NICHOLSON:

How many (a) single persons; (b) married persons, paid income taxes, what were the total income taxes paid and what were the gross incomes of 1941, 1942 and 1946, in each of the following categories: below $1,000, $1,000-$2,000, $2,000-$3,000, $3,000-$4,000, $4,000-$5,000, $5,000-$6,000, $6,000-$7,000, $7,000-$8,000, $8,000-$9,000, $9,000-$10,000, $10,000-$15,000, $15,000-$20,000, $20,000-$25,000, $25,000-$50,000, $50,000-$100,000, over $100,000?

Mr. McCANN: Return tabled.

WAR ASSETS—AEROPLANES

Mr. FLEMING:

1. (a) How many aeroplanes have been sold by or on behalf of the government since V-E day; (b) what prices, per unit and in the aggregate, were realized for each different type of aeroplane; (c) how many were sold to foreign governments or their agents, and at what prices for each type of aeroplane?
2. (a) How many aeroplanes have been disposed of by or on behalf of the government since V-E day otherwise than by sale; (b) how and where were they disposed of?
3. (a) What quantities of aeroplane parts and fittings have been sold by or on behalf of the government since V-E day; (b) what was the aggregate sum realized?
4. (a) What quantities of aeroplane parts and fittings have been disposed of by or on behalf of the government since V-E day and otherwise than by sale; (b) how and where were they disposed of?
5. (a) At what price did War Assets Corporation make its most recent sale of each type of aeroplane sold; (b) at what price is it offering each type of aeroplane now in its possession?

Mr. McILRAITH: Return tabled.

PUBLIC WORKS—SAINT JOHN HARBOUR AND VICINITY

Mr. STUART (Charlotte):

1. What was the total amount of moneys expended by the Public Works Department in dredging operations in Saint John harbour, Courtenay bay and immediate vicinity from January 1, 1935 to December 31, 1946?
2. What was the total expenditure in dock improvements, wharves, elevators, breakwaters, etc., in Saint John harbour, Courtenay bay and immediate vicinity from January 1, 1935 to December 31, 1946?
3. What steps have been taken by the government with respect to new buildings, wharves, breakwaters and dredging in Saint John harbour and immediate vicinity?

WHEAT BOARD—PERSONNEL

Mr. ROSS (Souris):

1. What are the names of all executive officers, advisory committee and employees of the Canadian wheat board?
2. What are their duties, annual salary, travelling and living allowances for the past year?
3. What was their previous employment or occupation and annual salary?

Mr. MacKINNON: I am not just sure whether all the information that it would appear is being asked for here can be revealed, but I am looking into the matter and I proposed having a chat with the hon. member who has asked the question. It will call for a rather large return and I suggest that we make it an order for return now.

MCNAB'S ISLAND, N.S., DETENTION BARRACKS

Mr. DIEFENBAKER:

1. How many prisoners have served terms in the detention barracks at McNab's island, Nova Scotia, during the twelve months period ended 30th April, 1947?
2. How many of those prisoners were (a) naval ratings; (b) army personnel of all ranks; (c) air force personnel of all ranks?
3. How many of these prisoners were punished by warrant during the said period?
4. How many of the punishments were for ninety days detention or over?
5. What is the official daily routine for prisoners undergoing detention?

HOUSING—VETERANS' LAND ACT—EAST YORK AND SCARBORO TOWNSHIPS

Mr. McGREGOR:

1. What is the cost of repairs since January 1, 1947, to each home constructed under the Veterans' Land Act in East York township and Scarboro township in the county of York?
2. Are repairs made prior to January 1, 1947, included in the cost of above homes? If not, what is the amount of such repairs?
3. What capital or other costs in addition to repairs to above homes, since January 1, 1947, have been paid or are payable or will be payable for work now being done in East York township and Scarboro township in the county of York?

HOUSING—VETERANS' LAND ACT—EAST YORK AND SCARBORO TOWNSHIPS

Mr. McGREGOR:

1. What is the total cost of each home constructed under the Veterans' Land Act in East York township and Scarboro township in the county of York?
2. Who was the contractor or contractors in each of the above areas?
3. How many homes were built under the V.L.A. in East York township and Scarboro township in the county of York?

4. What is the present proposed sale price of each home in the same areas?

5. What is the original price asked in each case?

6. What was the cost per unit of project overhead and how was the same made up?

7. Have any veterans made deposits on proposed purchases and later declined to proceed with the purchase of such holdings? If so, by whom and why were said deals not completed?

8. Who were the government inspectors in each of the above areas and what was the term of employment and salary of each inspector?

9. What qualifications did the inspector have to become an inspector under V.L.A.?

10. Is the purchase price asked any veterans in excess of the cost to the government? If so, how much, and what units are affected?

11. Does the government permit veterans to obtain half-acre plots and build homes on same under V.L.A. in East York township and Scarboro township in the county of York?

12. Has the government received any complaints about construction or price of homes in East York township and Scarboro township in the county of York?

13. Has the government been requested for new price contracts or rental agreements by veterans in these areas?

14. On whose advice were the locations for veterans' homes chosen?

15. Who recommended the sites chosen in East York township and Scarboro township in the county of York?

IMMIGRATION—DISPLACED PERSONS

Mr. MacINNIS:

1. Have any Canadian industries made application since January 1, 1946, to the government for permission to bring to Canada persons from the displaced persons' camps in Europe?

2. If so (a) what are the names of such industries; (b) how many persons were asked for in each case?

3. Have any permits been granted to such industries? If so, to whom?

4. Have any representatives of industrialists received permits from any department of government to visit displaced persons' camps for the purpose of selecting such immigrants?

5. If so, who are they?

6. Have any contracts covering wages and working conditions been submitted to the government in connection with such applications?

MOTIONS FOR PAPERS

EMPIRE DEFENCE

Mr. CHURCH:

For a copy of all documents, letters, cables, orders in council and all other correspondence exchanged between the government of Canada and the government of Great Britain on the statement made in the House of Commons of Great Britain on May 16 last, by the Secretary of State for Foreign Affairs (the Right Hon. Mr. Bevin), namely, that Britain will withdraw her empire defences and military bases in the Mediterranean, Suez, and middle east, and other areas now considered to be the United States' responsibility, and retire to the coast of East Africa.

Mr. ST. LAURENT: I am sure the hon. member must have been misinformed as to the contents of the statement made by Mr. Bevin on the 16th of May last. The motion is so framed as to call for correspondence on the statement made in the House of Commons of Great Britain on May 16 last, by the Secretary of State for Foreign Affairs, Right Hon. Mr. Bevin, namely, that Britain will withdraw her empire defences and military bases in the Mediterranean, Suez, and middle east, and other areas now considered to be the United States' responsibility, and retire to the coast of East Africa. I have had an extract made of that portion of the Foreign Minister's statement which deals in any way with these areas. I shall be glad to hand it to the hon. member, and perhaps after seeing it he will wish to frame his motion in other language.

Mr. CHURCH: I suggest, Mr. Speaker, that the motion stand and that I have a conference with the minister about it. I wanted all the papers.

Motion stands.

SOLDIER SETTLEMENT—CORRESPONDENCE WITH T. L. POULSOM

Mr. CASTLEDEN:

For a copy of all agreements, contracts, accounts, reports and correspondence, since March, 1919, exchanged between the Soldier Settlement Board, Department of Veterans Affairs and Mr. Tom L. Poulsom, Rochfort Bridge, Alberta.

Mr. MACKENZIE: I understand that my hon. friend is to have access to all the relevant files either in my personal office or in the office of the director of the Veterans Land Act and that he wishes the motion to stand.

Mr. CASTLEDEN: Agreed.

Motion stands.

INCOME TAX—FARMERS

Mr. FAIR:

For a copy of all regulations and directives, dealing with farmers' income tax, issued by the Department of National Revenue to the various administrative offices during the years 1939-40 to 1946-47.

Mr. McCANN: I now wish to table the regulations and directives called for by this motion.

IMMIGRATION—DISPLACED PERSONS

Mr. MacINNIS:

For a copy of all letters, telegrams, contracts or other documents received by any department of government from April 1, 1947 to date, from

firms, companies or other employers, relating to the bringing of persons from the displaced persons' camps for employment in Canada.

TAX AGREEMENTS

COMPENSATION TO PROVINCES IN LIEU OF INCOME AND OTHER TAXES

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

That it is expedient to present a bill to authorize (a) the Minister of Finance, on behalf of the government of Canada, to enter into agreements with the governments of the provinces to provide, subject to terms and conditions to be agreed upon, that in consideration of the said goverments agreeing not to levy income tax, corporation income tax, corporation tax or succession duties for a period of five years ending on December 31, 1951, or any lesser period ending upon the said day, the government of Canada will pay compensation to the said governments; and (b) the Minister of Finance to pay to the government of each province one-half of the 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 in respect of income of the corporations derived from the said distribution or generation in that province during the period commencing on January 1, 1947, and ending on December 31, 1951.

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

Mr. GEORGE BLACK (Yukon): I suggest to the Minister of Finance that in both paragraphs of this resolution, along with the governments of the provinces should be included the government of Yukon territory. The government of Yukon territory made the same agreement with the dominion government as did the provinces to give up the imposition of income tax—I am not so sure about corporation income tax or succession duties, but that could be easily ascertained. In consideration of the territory's having surrendered to the federal government its right to collect income tax for a few years, the federal government made a grant to Yukon territory in compensation. But as Yukon territory was fortunate or unfortunate enough to make considerable profits on the sale of liquor, its grants were considerably reduced.

Mr. SPEAKER: Order.

Mr. BLACK (Yukon): I am speaking to the motion, Mr. Speaker.

Mr. SPEAKER: It is not debatable.

Motion agreed to.

[Mr. MacInnis.]

OFFICIAL SECRETS ACT

PRESS REPORT AS TO FILMING OF LOCUS AND PERSONS INVOLVED IN ESPIONAGE INQUIRY

On the orders of the day:

Mr. GEORGE BLACK (Yukon): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. My question is based on a statement, published in the Ottawa *Evening Journal* of Saturday June 14, that Hollywood moving picture makers are to come to Ottawa to film the locus and persons involved in the recent spy investigation here. May I precede my question by saying that that incident is a blot on the history of Canada, in which it was disclosed that spies, criminals and traitors had infiltrated the public service of Canada, and had even come into the membership of this House of Commons, in an endeavour to injure the country. Those found guilty have been sentenced. My question is this. In view of the present tense situation in world conditions does the government consider it advisable to allow that regrettable affair to be capitalized by the makers of sensational movies for the entertainment of the public?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, the question asks whether the government intends to do something that is not within the powers or the jurisdiction of the government. I certainly do not consider that it is within the domain of the Department of External Affairs to determine what pictures Hollywood interests may or may not make. If they come here and behave as orderly citizens, there is nothing I know of in our legislation which would give any department of the government the right to interfere with their conduct. It seems to be something that their own good taste or their own judgment of their own interests should determine. If the committee now sitting on human rights see fit to recommend to this house that legislation be passed to give some department of government further control over the life and activities of individuals, the house will then have to consider it; but for the time being I would be at a loss to put my finger on any text which would allow my department or any other department of government to take any action about the matter.

Mr. HOMUTH: May I ask the minister a supplementary question? Has any department of government, or the government through the cabinet, given consent that any data be furnished to these moving picture makers or rights given to take pictures within

government buildings; or have any other favours been granted so that they can make this picture?

Mr. ST. LAURENT: I know of no permission given or of any permission applied for. I did see some reference to this in newspapers, but it was my impression that it was a private undertaking. If those who were carrying it out did nothing that it is not improper for any ordinary tourist to do, there would be no interference with their conduct.

Mr. COLDWELL: May I ask a supplementary question? Have any facilities of the mounted police or of others been placed at the disposal of these people to take this picture? If not, I think the minister is quite right in saying that it is a private undertaking and as such does not come within the province of the house.

Mr. ST. LAURENT: I do not know of any facilities having been placed at their disposal, or any application for facilities having been made.

BUSINESS OF THE HOUSE

SUGGESTIONS FOR EXPEDITING WORK OF SESSION

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): I wish to ask the consent of the house for a moment in order to make a suggestion to the Prime Minister, or to the Minister of Veterans Affairs in his capacity as house leader. It has to do with the heavy programme of work ahead of us, and the necessity of doing everything that is practicable and possible in order to get it advanced to avoid the mad rush at the end of the session.

A month ago the Prime Minister outlined to us the work that was then before us. Everyone will agree that it was a long programme. Reasonable progress has been made since then, but there is still a heavy programme of work to do. I have consulted a number of my colleagues—it has not been a wide canvass, but I think I can speak for all or nearly all of them—and if the government feels it will help to expedite the work of the session we are prepared to have morning sittings and sittings on Saturday as well.

Mr. M. J. COLDWELL (Rosetown-Biggar): I sent the views of our party to the Prime Minister a few days ago, and was very glad indeed to discuss it further. I suggest that some consideration be given to sitting throughout the afternoon, or, say from two to six and from seven-thirty to eleven. If I may speak for myself—I have not had an opportunity to discuss this with my colleagues—I suggest that we sit from three right through to eleven, with no dinner adjournment. Most hon. members need the mornings to do some work when the committees are sitting. I do not know what the house will desire, but I am throwing out these suggestions for consideration.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am very glad that my hon. friend the leader of the opposition has raised this question. I thank my hon. friend the leader of the C.C.F. party for what he has just said. Both hon. gentlemen will recall that I wrote a personal letter to each of the leaders of the parties opposite on May 30 last, mentioning that the government would welcome any suggestions that they might make with respect to the work of the session and its expedition. I said in my letter I would suggest that when I received their views we might meet together and discuss them. I have now received answers from all three. I should therefore like to suggest that, if five o'clock this afternoon should happen to meet the convenience of all we might meet in my office, and, in the light of what has been suggested, discuss the matter further and perhaps have something to offer to the house tomorrow in the way of concrete suggestions or general agreements. Every hon. member I know is anxious that the business should be expedited, and equally that nothing be left undone that should be done. I do believe that at a conference among all of us, particularly as the leaders have the support, I understand, of their respective followings, we should be able to announce tomorrow a programme that will help materially to expedite the business.

Mr. COLDWELL: Since the whips have to carry out the undertaking, I wonder whether the Prime Minister would object to their accompanying the leaders.

Mr. MACKENZIE KING: Quite the contrary; all are welcome. I give them a cordial invitation now.

EMPIRE DEFENCE

REFERENCE TO NOTICE OF MOTION ON TODAY'S ORDER PAPER

On the orders of the day:

Mr. T. L. CHURCH (Broadview): Some days ago I attempted to adjourn the house to discuss an urgent matter, but was not successful. That matter was contained in the notice of motion on foreign affairs which appears on the order paper today in my name. This is the ninety-first day of the session, and we have had no opportunity to discuss the empire

matters involved in this motion. Today the Secretary of State for External Affairs tabled a part of Mr. Bevin's statement which was made in the British House of Commons on May 16, but the one I have here is May 15. I sent him a copy of that statement on May 23. Today I asked that my motion stand in order that I might discuss it with the minister. I now ask the government when are we to have this matter discussed on a supply motion.

Mr. SPEAKER: Order.

Mr. CHURCH: I wish to have an opportunity to discuss it on the motion to go into supply.

Mr. SPEAKER: The hon. member will remember that this motion was called on the order "Notices of motion for production of papers", and the Secretary of State for External Affairs asked that the motion stand to give the hon. member an opportunity to discuss the matter with the minister. That order of business has been disposed of and I do not think the hon. member is in order to discuss the motion at this time.

Mr. CHURCH: The matter is an urgent one, and I shall raise it on going into supply. I hold in my hand a copy of the British *Hansard* of May 15, not of May 16. As I said before, I sent this to the minister on May 23. When my motion for the production of papers came up and the minister referred to what Mr. Bevin said, I said that it could stand until I conferred with the minister. I am saying now that I should like an opportunity to discuss the matter later on going into supply.

PEACE TREATIES

JAPAN—CONFERENCE OF COMMONWEALTH NATIONS AT CANBERRA

On the orders of the day:

Mr. H. C. GREEN (Vancouver South): I have a question for the Secretary of State for External Affairs. A press dispatch from Washington, dated June 14, indicates that there is to be a British commonwealth meeting on Japanese peace problems at Canberra, Australia, in August. Is Canada to be represented at that meeting? The article also indicates that the United States are prepared to lift the negotiation of a Japanese peace treaty out of the council of foreign ministers and submit it to an eleven-nation peace conference direct. Will the minister tell the house whether such is the case, and could we now have from him a statement of the attitude being taken by the Canadian government in respect of the Japanese peace settlement?

[Mr. Church.]

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I saw the dispatch to which the hon. member refers, and the writer of the dispatch appears to have more information than the Department of External Affairs. There is under consideration a proposal for a conference of representatives of the commonwealth nations at Canberra. A suggestion had been made that that conference take place early in July. It was not possible for the government of the United Kingdom or for the government of Canada to be represented at that time. Consideration is now being given to the holding of a conference toward the end of August. If that is arranged I have no doubt that Canada will be represented at the conference.

With respect to the second part of the question, the article indicates that the United States is prepared to lift the negotiations of the Japanese peace treaty out of the council of foreign ministers and submit it to an eleven-nation peace conference direct. There has been no official announcement by the United States of any intention to do that. The hon. member knows that there is a commission known as the far eastern commission, which has been sitting in Washington for I think over a year now, dealing with many aspects of matters that will have to be disposed of for the purposes of the peace treaty. There was a suggestion recently that there would be an attempt to avoid the procedure that has given rise to a lot of criticism in connection with the European peace treaties in preparing a draft for the Japan peace settlement. The attitude being taken by the Canadian government is that it would be much more satisfactory to have the eleven nations that have been represented on the far eastern commission represented in the early stages of the preparation of the treaty, so that there might not arise those causes of controversy that have arisen in connection with the preparation of the final drafts of the other treaties.

GERMAN NATIONALS

SCIENTISTS AND TECHNICIANS—PROVISIONS FOR EMPLOYMENT IN CANADIAN INDUSTRY AND UNIVERSITIES

On the orders of the day:

Mr. H. C. GREEN (Vancouver South): I should like to ask a question of the Minister of Trade and Commerce. Press reports state that German scientists and technicians are to be brought to Canada where their services are to be made available to Canadian firms. This movement apparently is under the Minister of Trade and Commerce. Will he make a statement to the house with regard to the question?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Before coming into the chamber I received notice of the hon. member's intention to ask this question. It was my idea that the matter had been fairly well covered in the press at least, and I thought an order in council dealing with it had been laid on the table. However, I shall be glad, and perhaps it would be a good thing for the record, to make a brief statement in answer to the hon. member's question.

Conditions under which the services of German scientists and technicians might be made available to Canadian industry and universities were indicated in letters forwarded this week to the Canadian Chamber of Commerce, the Canadian Manufacturers Association, and educational institutions. It was requested that the specific requirements for individual Germans should be submitted to the Department of Trade and Commerce, which has prepared form contracts in accordance with regulations of the United Kingdom governing the transfer of such nationals. For the employment of German scientists and technicians in Great Britain, a contract must be concluded between the government and the individual concerned, and between the government and the ultimate employer. This system provides for security screening, which has been approved by the Royal Canadian Mounted Police. The following provisions have been made:

Contracts must be signed by the German scientists or technicians before they leave Germany.

The scientists will be brought to Canada at government expense, which will be recovered from the eventual employer of the individual concerned.

Employment is for an initial period of one year, but may be renewed for a further period of one year. The government is free to return the scientists or technicians at any time.

Payment of salaries will be in accordance with scales prevailing in the United Kingdom, and salaries will be subject to ordinary taxation.

Employers will be responsible for finding suitable accommodation for the scientist or technician, but the German concerned will be required to pay for such accommodation.

Employers will be required to make monthly reports in writing to the Minister of Trade and Commerce on the ability and conduct of the German employee.

The German scientist or technician will not be permitted to write articles for publication or to give interviews to the press while under contract in Canada without the written consent of the minister.

The employee will assign to the government, or to whomsoever the minister may designate, his title to all inventions, processes or improvements for which he may be responsible during the period of his contract.

While every effort will be made to employ listed German scientists and technicians for whose services there is an actual need and for whom a request has been received by the Canadian government, no action will be taken to absorb in Canada German scientists for whom no such requirements exist.

At the present time it does not look as if there will be more than twelve or fifteen such people seeking entry into Canada.

BEAUHARNOIS LIGHT, HEAT AND POWER

GRANT OF WATER DIVERSION FROM ST. LAWRENCE RIVER

Hon. LIONEL CHEVRIER (Minister of Transport) moved the second reading of Bill No. 179, respecting the Beauharnois Light, Heat and Power Company.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

On section 1—Grant of water diversion.

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

Mr. CHEVRIER: Yes. There is no new principle involved in this bill. It is a simple bill which seeks the confirmation of a principle already approved by this parliament. The bill seeks to obtain authority to divert from lake St. Francis, through the Beauharnois power canal, all the surplus water available, subject to prior rights of navigation, for power development.

By section 2, chapter 19, of the statutes of 1931, this parliament granted authority to the Beauharnois Light, Heat and Power Company to divert from lake St. Francis up to but not exceeding 53,072 cubic second feet of water of the flow of the river St. Lawrence, to be returned to lake St. Louis, and in that act it was provided that any additional water which was required by Beauharnois Light, Heat and Power should be authorized by application to this parliament.

By section 1 of chapter 20 of the statutes of 1940 an additional application was made to parliament for 30,000 cubic second feet of water and that too was granted.

The position today is that there is a great shortage of power not only in the area served by Beauharnois Light, Heat and Power but also in the province of Ontario, and this company now comes forward and asks for authority to divert such quantities of water of the flow of the river St. Lawrence as the governor in council may from time to time determine, up to but not exceeding all the surplus water of the flow of the said river not required for navigation. In other words, in order to save several applications being made in case additional diversion is required, Beauharnois now seeks, by means of this application, permission to divert all the surplus water available.

Mr. ADAMSON: What does the minister mean by surplus—over the normal mean flow of the river?

Mr. CHEVRIER: Over and above that which has already been applied for and all that is available in order to serve the requirements of the units installed at Beauharnois Light, Heat and Power. I was going on to say, when I was asked the question, that this diversion is subject to prior rights of navigation, and the governor in council, in previous agreements as well as in orders in council which followed the approval of parliament to the diversion, set out the terms, conditions, stipulations and reservations under which the diversion would be approved. It is subject to the prior rights of navigation and is also subject to additional rights held by certain corporations, as will appear in the course of the debate. I believe that is all I have to say at this time.

Mr. CHURCH: On a question of privilege, I was in my seat ready to discuss the principle of the bill on second reading. I understood from the Speaker that I should have the first opportunity in committee, and I consented to the second reading on that understanding. I may tell the minister that the government are not going to get away with that again.

Mr. MacNICOL: I thank the minister for his concise explanation. One thing I like about the Minister of Transport is that he always knows his subject and presents his arguments clearly. In the creation of the world the great architect of the universe, who also was a marvellous engineer, endowed what is now called Canada with vast reservoirs out of which flow many gigantic rivers. Those rivers, through their falls and rapids, have almost inexhaustible power. This bill concerns just a small portion of one of these great rivers, the St. Lawrence, particularly the portion of it which lies between lake St. Francis and lake St. Louis. The distance between those two lakes is fourteen and a half miles, and in that distance the river falls approximately 83·5 feet. This portion of the river contains three main rapids, and has a large capacity for the production of power. This bill has to do with the production of power from that water.

As the minister has said, this is the third bill which has been before the house having to do with this matter. I remember distinctly the two previous bills, one in 1931 and one in 1940. The fact is that the province of Quebec owns all the power rights in that water. By the law of this land they, owning the river bed, can have possession of all the power which can be produced in that section. The only rights which belong to this parliament are those of navigation. I shall deal with both those aspects of the bill. I am not opposing it in any way; I am for it. In fact, if I might digress for a moment, I should like to say that, when a similar bill was before the house in 1940, I recommended that they be given the full right to divert, if and when they required it all the surplus water. It seems to me that in the meantime the country has lost the opportunity to produce much more power.

The situation at the present time is this. Apart from navigation there are now two power plants on the 14½ miles, one just east of Coteau at St. Timothée, and the other farther east at the Cedars. I believe that at the Cedars about 75,000 cubic feet of water per second can be taken out, if it is desired.

Mr. CHEVRIER: That is right.

Mr. MacNICOL: I do not know whether that amount is taken out or not. From that it is possible to produce approximately 225,000 horse-power on a head of 30 feet. That is a very low head, Mr. Chairman. At St. Timothée 6,000 cubic feet per second are taken out with a head of about 50 feet more or less and approximately 30,000 horse-power are produced. In other words, on that section of the river at the present time, approximately 250,000 horse-power are being produced. At the lake itself at the head of the river before the water starts to descend over that 14½ miles to lake St. Louis, the Beauharnois Company quite a long time ago purchased, and were finally granted by this parliament, the rights to divert, as the minister has so well said, 53,072 cubic feet of water per second. This is made up of the two rights which existed at that time for the diversion of water in the river for two power-houses. I believe the Beauharnois itself controlled 40,000 second feet and the Montreal Cottons had 13,072—

Mr. CHEVRIER: That is right.

Mr. MacNICOL: —making a total of 53,072 which the Beauharnois Company afterwards obtained permission from this parliament to divert out of lake St. Francis. Then in 1940 we gave them the right to divert another 30,000 second feet. It was at that time I suggested to the house that they be given all that they are asking for now, and with that I am in accord. This makes a total that Beauharnois may divert through their power canal of 83,032 cubit feet per second.

Mr. CHEVRIER: That is right.

Mr. MacNICOL: That is all the water that has so far been diverted out of the St. Lawrence through their power houses for the production of power. Out of the 83,072 cubic feet of water per second that the Beauharnois Company now diverts through its splendid canal and pours back into the river at lake St. Louis, it develops 689,000 horse-power, I believe, from thirteen units of 53,000 horse-power.

Mr. CHEVRIER: I am informed that it is 650,000 horse-power.

Mr. MacNICOL: That may be so. There may be a diversity of opinion. I was told that there were 13 units of 53,000 horse-power each. I went down to the power house and that was the information I got there. That would make 689,000 horse-power. However, that is neither here nor there.

Mr. CHEVRIER: I am informed that the units are of 50,000 horse-power each.

Mr. MacNICOL: I was told that they were 53,000 horse-power each. If it is 50,000, the development would be 650,000 horse-power. For a long time I have been hoping that the Beauharnois Company would buy out the rights, if they have not already the right to do so. Since the Beauharnois Company is wholly owned by the Quebec government and operated under that hydro electric power commission to the best advantage of its people, I for a long time have been hoping that the Beauharnois Company, or its new owner, the Quebec government, would purchase the rights at the Cedars and at St. Timothée because those two together make 81,000 cubic feet per second.

Mr. CHEVRIER: I understand that is the case. The information I have is that the Quebec Hydro expropriated Montreal Light, Heat and Power, which were the owner of the majority of the shares of Beauharnois.

Mr. MacNICOL: I am glad to hear that. That being so, I hope they will proceed as rapidly as possible to divert that 81,000 cubic feet per second, prevent it from going down the river, take it down through their own canal and pour it through their power house and then into lake St. Louis.

Mr. CHEVRIER: That is exactly what they wish to do.

Mr. MacNICOL: There is no objection to their doing it, is there?

Mr. CHEVRIER: No.

Mr. MacNICOL: That is fine, because that would give them sufficient water to increase their production up to about 1,750,000, more or less. That is a large block of power. In fact the province of Quebec has been thrice blessed in its very large blocks of potential and actual power energy. First, there is the great power site at Shipshaw. At present in the three plants on the Saguenay we are developing 540,000 and 300,000 and 1,200,000, or roughly 2,000,000 horse-power. I am told that when they conserve the waters of the other rivers which flow into lake St. John, in addition to the present conservation on the Peribonka river, they will be able to produce practically another million horse-power. So far as I know that would be the largest block of horse-power for electrical energy produced anywhere in the world.

In addition they have Shawinigan, which has a large volume. When they take this additional 66,000 feet per second out of the St. Lawrence river it will bring the total up to about 1,750,000 horse-power at Beauharnois.

So that I look forward to a vast expansion of business when all this power is developed and distributed. At the outlet of lake St. Francis the flow of the river is 230,000 cubic feet per second, or thereabouts, depending of course on the flow from higher up in the lakes. In that flow at lake St. Francis there are 5,200 cubic feet per second of water diverted out of the Albany river watershed in Ontario, which, if it followed its natural course, would flow into James bay. However, because of an agreement made some years ago it now flows into lake Superior and down through the St. Lawrence basin. It flows through lake St. Francis.

I have said several times that the fact that approximately 40,000 horse-power can be developed at Beauharnois out of that 5,200 feet which comes from the Albany river watershed is perhaps one of the reasons Quebec has been so generous to Ontario in the matter of power. I wish to thank Quebec for its generosity to Ontario in this respect. I believe they are now selling us 250,000 horse-power out of Beauharnois; is that correct?

Mr. CHEVRIER: About half of the development from the Beauharnois power plant.

Mr. MacNICOL: That would be about 325,000 horse-power.

Mr. CHEVRIER: It is going to Ontario.

Mr. MacNICOL: That is good. At the same time they are giving—and I do not mean that they are giving it for nothing; we are buying it, and rightly so—but I believe we are buying about another 450,000 horse-power from the two leading large rivers which flow into the Ottawa just north of here.

So that Ontario has every reason to be grateful for what Quebec has allowed us to take out of her power production. I hope they will continue that policy when all the river is diverted through Beauharnois. After all, the watershed behind lake St. Francis is about 230,000 square miles, of which roughly 115,000 are in the United States, and the other 115,000 are in Ontario. In reality one-half of all the water which will flow through Beauharnois will come from Ontario, so it is quite right that Quebec, in her generosity, should let us buy from that power.

I am not going to go much further in the matter. I have a warm feeling for the minister, because he looks into these matters much more than most ministers do. I am not praising him unduly in that regard, but I like the way he makes a study of the work of his department. I suggest that he have a survey made of this watershed, not by a commission, but by his own engineers. The department has most excellent engineers; there are no better to be found anywhere. If they make a survey of the whole watershed perhaps they will be able to give us some good advice. At the present time the watershed is losing some water—not much, it is true. I believe about 3,500 cubic feet per second are taken out at Chicago. They require about 1,500 cubic feet per second for domestic purposes, and they take out about 2,000 cubic feet per second for sewage purposes, street flushing and the like. That is not a great amount of water, and I do not believe it can be reduced.

At Niagara Falls all the water that is diverted at that point flows back into the watershed. I believe even that which goes into the Erie canal flows back through the Lakeport or Erie canal into lake Ontario. So we are not losing anything there. The same applies to the Welland canal. What goes through by DeCew falls through our own power plant goes back into the watershed or into the course of the river. I believe a little water—not very much; perhaps not enough to bother about—is taken out through one or two rivers in Ohio for canal purposes. Then there is a little bit taken out and poured into the headwaters of the Allegheny river. However, all those losses are small. The whole watershed in my judgment has been pretty well safeguarded.

I hope the minister will consider these points. I thought I should mention them in case he is not familiar with them. Of course I am familiar with them, having covered all those areas, having seen them with my own eyes and having noted where these diversions take place.

There have been really only two diversions; I mentioned them a minute ago. I should have said they are from the one watershed, the Albany river watershed. The Kenogami river pours 1,200 cubic feet per second into lake Superior, and through the Nipigon river pours 4,000 cubic feet per second of Ogaki river water into lake Superior. There is a total of 5,200 cubic feet per second from the Albany river watershed. When those diversions came up some years ago I said I hoped that the diversion of 5,200 cubic feet of water per second, which is the equivalent of 500 million tons of water per year, up over a height of land into another watershed, would not upset the whole normal flow of water, and the return of that water in clouds to where the water came from. I am not at all sure that it has not done so. I do not believe anyone can prove that it has or it has not. I have given it most exhaustive study, and the fact is that the great lakes levels have seldom before been as high as they are now. The water today, we are told, is higher in lake Ontario than it has been in seventy years. Toronto island and the cottages all along the lake shore are being severely damaged.

This condition applies all the way up lake Erie. City engineers and other engineers in western Ontario, who have known about my interest in water diversion, have communicated with me about what I said before in the matter, when I pointed out that perhaps at some other time the people living along the shores of the great lakes would have a legal right to sue the governments of the United States and Canada for the destruction of their property through the rising of lake levels on account of this diversion. I do not know, of course, whether the people have that right.

It is a question whether 500 million tons a year poured from one watershed into another might not cause the damage that is being caused today. Certainly there is some cause for it. Perhaps the minister, who I know is interested, might look into that phase of it.

This matter of the flow of air and water is a most interesting study. The diversion of water out of one watershed into another upsets and alters the handiwork of Divine Providence. Maybe it makes no difference, and maybe it does. That may be the reason for the very heavy precipitation of recent weeks, and may be responsible for the general tendency along this line this year and in previous years. If we could have it in the west rather than in the east it would be beneficial all the way through.

I shall close by asking the minister a few questions. He need not answer now; he may answer when he gets time. We are deciding to allow the Beauharnois Company, or the Quebec power commission, as it is now, to divert all the surplus water beyond what will be used for navigation. That is what it means. As to navigation in the Soulanges canal, I would point out that the Welland and Erie canals take about 3,000 cubic feet per second, but I doubt if the Soulanges canal will take more than 1,000, if that much. If it does not take more than 1,000 cubic feet per second throughout the whole year—the navigation season lasts only eight or nine months—in fact it is immaterial whether it is 1,000 or 2,000 cubic feet, but even if we say that 5,000 cubic feet per second are required, that would leave an average volume of 225,000 cubic feet per second. Through this bill the Beauharnois project is to take the whole of that out. That will mean that not even a rowboat will be able to go down the river from lake St. Francis to lake St. Louis. I do not know whether that is of any importance, because with the Beauharnois canal completed they could go that way and would have a straighter line to sail and through deep water. They would not need to bother going through the five locks there are now in the fourteen and a half mile Soulanges canal between lake St. Louis and lake St. Francis. I just want to see whether the minister and his officers have made sure that at no time will the river bed itself be used for navigation from lake St. Francis to lake St. Louis. That is question No. 1.

Has the United States any rights? In reading up the whole question of diversion from the St. Lawrence I found that just a few years ago the President of the United States appointed a commission with instruction to ascertain the best routes of navigation from the great lakes to the ocean as far as the United States was concerned. That commission was given five references to inquire into, one being the possibility of diverting from lake St. Francis across Quebec and New York to lake Champlain, a distance of about 52 miles, during the course of which the canal would drop about 53 feet. My opinion is that that could not be done, but if it could be done I think it is worth while for the minister to know about it. I am sure he does know about it. The 5,000 feet per second which might be taken at any future time would then reduce our power production at Beauharnois by roughly 40,000 horse-power. I do not think we need worry about that, but it is worth mentioning.

I do hope that the Quebec government will continue to be generous and allow the Ontario government through the Ontario hydro—I believe they are very friendly—to purchase on the present basis one-half of the full production at Beauharnois. We need power very much in eastern Ontario.

I could not find the passage in *Hansard,* but I remember asking when the 1940 bill went through if diversion works were to be built at the head of the river. I presume they will now be right at the head of the river. Will these be built by the Quebec power commission? The answer to my question at that time was yes.

Mr. CHEVRIER: They are built already.

Mr. MacNICOL: They will have to build new ones at the head of the river when they take all the water. There will be no water going down to the power plants at St. Timothée and Cedars. I imagine they will have to have gigantic works right across the head of the river if and when the time comes to proceed with the construction of the St. Lawrence ship canal. That should be in due course.

Mr. CHEVRIER: I hope so.

Mr. MacNICOL: We were all interested in what the President of the United States said a few days ago. I believe the answers given me in 1931 or 1940 were that any navigation works that were built would be built by the Beauharnois Company. They would have to deepen the 3,000 foot channel to 27 feet, and make locks at Melocheville where the ships go down to lake St. Louis. I should like the minister to reassure us that that will be done, because we are now giving all the water to the commission.

When the minister gets the time I hope that he will have a survey made into the wonderful possibilities of power production along the whole 1,800 miles of this river. In my judgment there is nothing that we can do that would provide as great a return in jobs as to develop these possibilities. First, there is the work entailed in building the canal. Second, there is the building of transmission lines and so on. Third, there are the hundreds of thousands

of jobs that would be provided in factories all across Canada. There is nothing in the world that will encourage production in a plant to the extent that cheap power will. I would ask the minister to extend his survey in an effort to find some way whereby the maritime provinces and Saskatchewan may enter the cheap power field. These provinces are badly handicapped by lack of cheap power. There is no hope of their greatly expanding their manufacturing potentialities, as we all would like to see them expanded, without cheap power. That would help everywhere in Canada. I ask the minister to see what his officials can do toward providing cheap power for the maritimes and Saskatchewan.

Mr. CHURCH: Mr. Chairman, I shall detain the committee only a few minutes in connection with this bill. Unfortunately there are only three more than a quorum present to discuss one of the most important matters on the North American continent, namely, the St. Lawrence waterway and the cheap light and power movement. I have been a pioneer in connection with this bill. I have tried to prevent the stealing of power by private ownership all over the great lakes. The foundation for this particular company was laid in 1927 when two or three bills were introduced.

I am opposed to the method and manner of bringing up this matter. The Navigable Waters Protection Act was passed shortly after confederation to preserve water powers, inteprovincial and international, on the great system of inland waterways which we have in this country. That act was always under the administration of the Minister of Public Works, but it has been transferred. We find that this bill was introduced in the senate. There are only nine government members present today, six Conservatives, five C.C.F., two Social Credit and one Independent. This is one of the matters which in 1929-30 brought the Liberal party into the valley of humiliation, as it was called then. An investigation into the Beauharnois deals was made afterward by the Bennett administration. I had been a pioneer in the cheap light and power movement in Ontario and strongly opposed the original Beauharnois Company and the methods they used to put this over. My opposition to it drove me out of parliament. These people had all along opposed the cheap light and power movement.

You have to follow certain principles with a matter such as this. Why was this bill introduced in the senate? Why is the Navigable Waters Protection Act violated? After all is said and done, this bill was introduced into the senate, not as a government bill but as a private bill, and the speakers were all private members. After the first Beauharnois scandal some of them had to resign, but I do not want to refer to names. There was a long investigation into it and a change was made after the general election of 1930.

I object to this bill for the following reasons: First, on account of the danger to navigation. Second, it is proposed by the great leader of our great ally who visited us the other day that construction of the St. Lawrence seaway be begun at once. We have to consider the Chicago diversion of waters in connection with the construction of the St. Lawrence seaway. Hon. members will have noticed in the press and in the congressional reports that there are interests which want a second rival canal to the St. Lawrence seaway, using the Mississippi river. Where are we going to be with the St. Lawrence seaway then? There are cycles of high and low water in the great lakes system in this country, and where shall we be with a rival canal in existence. Navigation will be nowhere. Yet navigation is paramount. You cannot take a bucket of water out of the boundary streams if it affects or injures navigation. Water can only be taken out to develop light and power if it is not necessary for navigation.

I object to the principle of this bill. The explanatory notes say that the Beauharnois Company got a charter and constructed the canal and the works connected with it, and then by chapter 19 of the statutes of 1931 the company was granted the right to divert from lake St. Francis 53,072 cubic second feet of water of the flow of the river St. Lawrence, to be returned to lake St. Louis and to be used for the development of hydro electric power on certain terms and conditions set out in P.C. 504 of March 1, 1932.

Then by chapter 20 of the statutes of 1940 the company was granted the right to divert an additional 30,000 cubic second feet of water from lake St. Francis on terms and conditions set out in P.C. 3210 of July 18, 1940.

The Beauharnois canal and works constructed and designed in accordance with approved plans permit of the development and use of an additional quantity of water for power purposes.

The Beauharnois Light, Heat and Power company is now owned by the Quebec Hydro Electric Commission, which also owns Montreal Light, Heat and Power Consolidated and Provincial Light, Heat and Power Company. These two last named companies enjoy power rights on the river St. Lawrence between lake St. Francis and lake St. Louis.

The explanatory notes go on to refer to the demand for power. Yet they are exporting a whole lot of power now. They were allowed to export a certain amount of power during the war to certain munitions manufacturing plants. Are they to be allowed to continue to export power when this country needs power and will need it for many years to come for industrial development in the two central provinces?

The explanatory notes say that the purpose of the bill is to obtain from parliament its approval of the further diversion by the Beauharnois company of such additional quantities of water of the flow of the river St. Lawrence as the governor in council may authorize.

I am opposed to the principle of this bill, which parliament should not pass unless the two central provinces are consulted and consent to it, and even then we should safeguard navigation rights, which are paramount. The Navigable Waters Protection Act is under the jurisdiction of the Minister of Public Works, and I see no reason for transferring that jurisdiction without a hearing before the minister and before the railway committee of this house.

We are going to have a rival seaway, as I have already pointed out; are we going to allow this company to export power that is badly needed in Canada by the two central provinces?

I object to the principle of this bill on the ground that it would be adopting a different type of rival seaway through the Mississippi valley. We may not be able to carry out the St. Lawrence seaway project if this diversion goes through, particularly as Chicago is diverting more water for canals and municipal purposes every year, and there is no proper check being made at the present time of that diversion of water. We used to have a debate in this house lasting for three or four days on the Chicago diversion of water, but now there is no reference to it. That diversion should be checked up, especially as we have cycles of a heavy flow of water followed by a scarcity of water on the great lakes system.

Interests in the United States want a rival canal to the St. Lawrence seaway extending right down the Mississippi to the gulf, and they are going to get away with it. There is nobody to stop them. Chicago is getting away with more water than the treaty calls for, and they will do the same thing with the St. Lawrence and the Mississippi seaway; and then where are we going to be? Future generations will pay for this misuse of the water powers of this country. There is nobody here to stop them now. In the old days when the Conservatives were in power in Toronto our benches here were full. We had 127 members but today we have only five or six listening to this debate. We were the original pioneers in Ontario of public ownership, with cheap light and power for the people.

I believe that this bill should be laid over for a year. There is no demand now for this extra water. The bill should stand over until we know more about the St. Lawrence seaway. It should go first to the railway committee. I can tell you this, that if this bill goes through, it may prove to be the death knell of the whole St. Lawrence seaway proposition. There are shipping interests in this country that do not want the St. Lawrence seaway. They are opposed to it. The ports of Montreal and Quebec have been developed by a large expenditure of money and this great inland waterway should be extended right up to the head of the lakes. Providence blessed us with this great inland water system. You can go up the Amazon river for a thousand miles. If this bill goes through the way it is you can just fold your arms so far as the St. Lawrence seaway is concerned. I warn the house and the country of the danger. The people today are blindfolded. They do not know what is going on, in local affairs, foreign affairs or anything else. But they will soon wake up to the fact that they have been blindfolded and they will be blindfolded and fooled no more. This is a very dangerous bill for the province of Ontario, if it is passed without all due safeguards. Let us wait until we have all the information about the St. Lawrence seaway. The Beauharnois Company was a private company but eventually it is to be a Quebec public ownership enterprise. This seaway business may become a racket unless the necessary safeguards are provided. History always repeats itself in light, power and transportation. Cheap light and power did great things for our province. We could not have had our great industrial development without it. But those who proposed it and brought it forward were ridiculed and blackguarded, but public ownership in Ontario has succeeded and proved a gold mine. I hope the same thing will be true in the province of Quebec.

I have concluded about all that I have to say because I have dealt with the principles of the bill. The next time this bill is up for discussion I do hope that we shall have a larger attendance from Ontario, anyway. I do not know where we would be if we did not have some of these great national policies which the Conservative party launched and

made a success of in that province, including its support of the St. Lawrence waterway.

Mr. COLDWELL: On previous occasions when the matter of the Beauharnois Light, Heat and Power Company has been before the house the proposals have met with strong opposition from the members of this group. Since then, however, a change has occurred. This is now a publicly owned enterprise which, of course, puts a different complexion on it from our point of view. Whether one accepts the general proposition for public enterprise and cooperative enterprise, as perhaps we do to a greater extent than most hon. members of other parties in the house, all parties agree that electric power development is something which in its very nature must be a public enterprise. I am glad to know that since we discussed this matter in 1940 the ownership of this organization and of the Montreal Light, Heat and Power Company has passed into the hands of the government of the province of Quebec. From the point of view which I wish to express that is a very useful thing.

The statements which the hon. member for Broadview made are serious and should be given careful consideration by the government. As I understand the proposition—and if I am wrong I want the minister to correct me, because I want to be quite sure in supporting this bill—the water we are dealing with in this bill is surplus water, and the country is adequately protected so far as navigation is concerned.

Mr. CHEVRIER: There is no question about either of these two things.

Mr. COLDWELL: There is no question about that from the point of view of the advisers of the department, who are competent engineers, and we must therefore take the advice they give us that the country is adequately protected in that regard. I understand that when the St. Lawrence waterway is built, as I hope it will be, the Beauharnois canal will form a part of the whole plan.

Mr. CHEVRIER: It does.

Mr. COLDWELL: In laying out the canal originally the St. Lawrence waterway project was protected in the minds of those who designed the canal. I understand that the depth will be sufficient to take ships up to 27 feet draught.

Mr. CHEVRIER: The depth will be 27 feet throughout from the head of the lakes to the ocean.

Mr. COLDWELL: That, I understand, is the proposal generally for the whole waterway project, as I have read it and studied it.

[Mr. Church.]

Mr. CHEVRIER: Yes; and the power canal has been worked into the whole scheme.

Mr. COLDWELL: The power canal will form a part of the whole St. Lawrence waterway scheme?

Mr. CHEVRIER: That is right.

Mr. COLDWELL: If we are satisfied on that point, in view of the present shortage of power the government of the province of Quebec through its power commission should be given the right to use the surplus water so long as the navigation rights of the dominion are adequately protected. I hope this project will be beneficial to the province of Quebec and that the people will derive from it the benefit that one would hope should accrue from an undertaking of this description.

I may add that when we hear it stated that there is a power shortage in Quebec we are reminded that we were told during the war that much of the new power developed in Quebec could not be utilized in peace time. We now find it necessary to divert another 30,000 cubic second feet from the river. Including the 30,000 that were diverted in 1940, that makes a total of 60,000 cubic feet over and above the 53,000 cubic feet which it is necessary to divert on account of the shortage of power. This is very interesting to those who were told during the war that much of the power development that had taken place in Quebec could not be utilized after the war was over.

May I join the hon. member for Davenport, without going into the matter as he did, in expressing the hope that the minister and the federal government will do everything in their power to facilitate the building of power projects in the navigable streams, on, of course—from my point of view—a publicly owned basis, so that we may provide electric power for parts of the country to which up to the present it has not been made available.

As I say, the change of ownership from the private corporation to the province of Quebec makes a very great deal of difference from my point of view. In 1940 I objected to the diversion of 30,000 cubic feet per second to the Beauharnois corporation.

Mr. JACKMAN: The same people use it.

Mr. COLDWELL: Yes, but it is not the use of the thing that matters; it is who owns it, to whom the benefit of the ownership accrues. I am not going to argue with my hon. friend, who is so deeply imbedded in a sort of prehistoric philosophy that it is not worth arguing about.

Mr. CHEVRIER: I am not going to get into the argument.

Mr. COLDWELL: I do not blame the minister for not getting into the argument. At least this bill is on the right side of the argument, and therefore I am supporting it.

Mr. IRVINE: Before the bill passes I wish to say one word. I am not opposing the legislation, and I am in entire agreement with what has been said by my leader, but I should like to ask this question. How is it known that the required water for navigation has been safeguarded? For instance, you may have ships now that have a draught of 30 feet. Five years from now they may have a draught of 36 feet. How do you know that you are going to preserve navigation?

Mr. CHEVRIER: I think I can answer that question. In the first place the department provides checks. At the power house at Beauharnois there are engineers who measure the flow once a week, and our own department officials measure it every month. We also maintain at Coteau water level gauges, as we do at Iroquois and at Cornwall, and we know the level of the water every day. The officers read the reports, and also the reports of the water taken by the Beauharnois company or by the Quebec hydro commission, and by means of comparing these two levels are able to see immediately whether they are taking more water than is required. That is one way. There are several other checks. For instance, under agreements which will be drawn up between the government and the Beauharnois company it will be stipulated upon what terms and conditions this water may be taken. If these terms and conditions are not complied with, penalties are provided.

Mr. IRVINE: After we have granted the right to divert the water, and the diversion has taken place, suppose subsequent events should require that large ocean going ships should have much greater draught than they now have. The water has been diverted. Would not that mean that these large ships could not go up the river?

Mr. CHEVRIER: Well, the provision today is for 27-foot navigation, and if the draught of the ships were greater in future we would have to provide for greater depth.

Mr. THATCHER: Are there any other persons or corporations that have rights or interests and, if so, have they made representations to the minister either opposing or supporting the application?

Mr. CHEVRIER: There are three others and they have made no representations. They are owned by the Quebec hydro commission, with one exception, the Canadian Light and Power Company, and it diverts a very small amount of power out of the old Beauharnois canal.

Mr. THATCHER: Then there is no corporation which is opposed to this.

Mr. CHEVRIER: None. I will answer the questions asked by the hon. member for Davenport. I believe there were four. The first had to do with the position with regard to navigation. Navigation cannot use the river now between lake St. Francis and lake St. Louis. The river was completely dammed in 1941 to permit a total diversion at Beauharnois of 83,072 cubic feet per second.

Mr. MacNICOL: The water must be flowing through to feed the two power houses, one at St. Timothée and the other at Cedars.

Mr. CHEVRIER: Yes. The water flows through lake St. Francis into the Beauharnois canal. The water is dammed on the river St. Lawrence. Navigation is not carried on through the north channel of the river St. Lawrence because of this dam, but there is enough water allowed through for development at Cedars to Provincial Light and Heat.

Mr. MacNICOL: As I understand it, the water that is now used to supply the power plants at St. Timothée and at Cedars is taken in both cases out of the river itself, and it must therefore flow down the river to get there.

Mr. CHEVRIER: The water that is diverted for development at Cedars is diverted out of the river St. Lawrence and there is a dam there providing for that, likewise for the water which is diverted through the old Beauharnois canal for development by Canadian Light and Power Company at St. Timothée. But the water we are discussing now is that which does not come out of the river but out of lake St. Francis down through the power canal into lake St. Louis.

Mr. MacNICOL: This bill provides for it.

Mr. CHEVRIER: Yes. With respect to United States rights, I am informed that the United States have no rights or interest in power development at Beauharnois as long as the levels are not raised on the United States side at the head of lake St. Francis. There was a question about further diversion. No additional works are required to permit a further diversion of water. These diversion works were built in 1941; the navigation locks

will be built and paid for by Canada when the deep waterway is eventually built, and the power company will provide a channel to the required depth. As a matter of fact, that channel is practically complete with the exception of one mile.

May I deal now with two questions asked by the hon. member for Broadview? His first question was why this bill was introduced in the senate. The answer is, because for several weeks we were discussing legislation on controls in the House of Commons. This bill was ready and it was thought reasonable that it should be introduced in the senate so as not to lose any time. The hon. member complained about navigation. He said that navigation would not be protected. The answer is that navigation is fully protected. If navigation were not protected the dominion government, under its former agreement and under the agreement which it will enter into with Beauharnois, will have the right to expropriate the works, so that at all times rights of navigation are fully protected under the bill.

Mr. ADAMSON: I understand that the export of primary power is not a federal matter, but I would ask the minister whether steps have been taken to safeguard the interests of both Ontario and Quebec with regard to the export of primary power.

Mr. CHEVRIER: I do not want to get into a discussion on export of power. This bill has nothing to do with the export of power but only with the diversion of water from one lake to the other through the canal.

Mr. JACKMAN: But it makes power possible.

Mr. CHEVRIER: So far as export of power is concerned, while that question does concern the federal authority and is one in which they authorize by licence, it is not a matter that comes within the purview of the legislation.

Mr. ADAMSON: I realize that, but I want to make a protest now, or to warn the government against the export of power. We are facing a frightful power shortage in industrial Ontario and industrial Quebec at the present time. This diversion of water means an increase in installation of horse-power at Beauharnois Light, Heat and Power. That power is needed in the worst way in Canada, and I want to plead with the government, in case there is any such intention, to stop this new increase of power from being exported.

Mr. CHEVRIER: I do not think the question is in order but I will answer it. The hon. gentleman was here when I made the statement that about half of this power goes to Ontario.

Mr. ADAMSON: Yes.

Mr. CHEVRIER: He knows how serious the shortage of power is in Ontario at the present time.

Mr. ADAMSON: It is desperate.

Mr. CHEVRIER: With reference to the export of power, that is a matter which has been decided by this parliament. It was decided as far back as 1927 by the Electricity and Fluid Export Act when the principle was laid down by parliament as to how power should be exported. There is nothing I can add to that. I believe the principle laid down was a good one.

Mr. ADAMSON: Half of this power will be used in Ontario. The minister does not know how the other half will be used?

Mr. CHEVRIER: That is a matter for the Quebec hydro commission.

Mr. ADAMSON: And they are a sovereign body.

Mr. CHEVRIER: Yes.

Mr. ADAMSON: I have another question. How much increased power does this diversion entail? I do not think that question has been answered.

Mr. CHEVRIER: That is a difficult question to answer. It depends on the flow of water.

Mr. ADAMSON: You have 30,000 cubic feet per second. You must know how much that means to Beauharnois.

Mr. CHEVRIER: It depends entirely upon the flow of the water. The flow of water varies. The minimum flow may be 146,000 c.f.s. at a certain time of the year and at another time it may be close to 350,000 c.f.s., so that the surplus amount of water cannot be told in exact terms.

Mr. ADAMSON: This bill entails an extra 30,000 cubic feet per second.

Mr. CHEVRIER: No; it does not. It entails all the surplus water available subject to rights of navigation et cetera, to be taken out of lake St. Francis through the canal into lake St. Louis; and, upon the terms, conditions and stipulations laid down in the agreement which will follow this bill.

Mr. ADAMSON: This takes everything.

Mr. CHEVRIER: It takes the surplus.

Mr. ADAMSON: This takes the whole works, every cubic foot of water flowing between these lakes, now going through the Beauharnois canal, except for navigation.

Mr. CHEVRIER: No, it does not take the whole works. There have already been granted by two additional acts of parliament two diversions, one of 53,071 cubic feet per second and another of 30,000 cubic feet per second.

Mr. ADAMSON: This takes all that is left.

Mr. CHEVRIER: This takes the surplus, subject to that granted other corporations.

Mr. ADAMSON: Which is not needed for navigation.

Mr. CHEVRIER: This authorizes the governor in council to enter into an agreement with Beauharnois to grant it the surplus amount of water available.

Mr. ADAMSON: One more question. Has any navigation machinery; have any locks been installed on the canal? Have the sills or anything like that been installed in the power canal? I understand that the Beauharnois people are using the power canal as part of the ship canal. It works hand in glove with the future deep waterway system. Have any installations been made?

Mr. CHEVRIER: No.

Mr. ADAMSON: Nothing has been done? The canal as at present constructed is suitable for ships of 27-foot draught?

Mr. CHEVRIER: Yes.

Mr. JACKMAN: Am I correct in my understanding that neither the government of Canada nor the government of the province of Quebec will have to come back to parliament for any permission to divert any water from the St. Lawrence?

Mr. CHEVRIER: Yes. This grants Beauharnois the authority, and it will not have to come back.

Mr. JACKMAN: That is what I understood. May I ask the minister, as a matter of information, exactly what is contained in the act of parliament which has to do with the export of power to the United States? Will he give me a brief explanation, because parliament will not have a chance to discuss this diversion right again?

Mr. CHEVRIER: I do not intend to allow myself to get into a discussion of the export of power. This bill has nothing to do with that. Although I answered the question asked by the hon. member for York West a moment ago I told him I thought it was out of order. I referred to a debate and a resolution of this house by which the house agreed as to the principles governing the export of power, and successive governments have abided by the terms of the resolution. I propose to go no farther than that.

Mr. JACKMAN: Is all the power in Quebec being used at the present time, or is some of it, because of its location, not being used?

Mr. CHEVRIER: I understand it is all in use.

Mr. JACKMAN: Does the Quebec government own all the Beauharnois Light, Heat and Power Company? If it does not, what do the people who own shares in the Beauharnois Light, Heat and Power Company, now own?

Mr. CHEVRIER: I am informed that the government of Quebec has expropriated the Montreal Light, Heat and Power, which was the owner of the majority of the shares of the Beauharnois Light, Heat and Power.

Mr. JACKMAN: I realize that, but there are shareholders in Beauharnois Light, Heat and Power Company who had nothing to do with the Montreal Light, Heat and Power. I am asking the minister what they own; because in the explanation of this bill, it is stated that the Quebec government owns the Beauharnois Light, Heat and Power. They only own a controlling interest. Is that the understanding?

Mr. CHEVRIER: My officers inform me that they own the whole of it.

Mr. ADAMSON: I should like to correct one statement which I think was made by the leader of the C.C.F. party during the war about the surplus power. I think he is confusing the surplus power at Shipshaw with the power that is needed in this bill.

The DEPUTY CHAIRMAN: Order.

Mr. ADAMSON: This matter was raised on this bill, Mr. Chairman, and is pertinent to it. There is a desperate shortage of power in the industrial heart of Canada and, in my opinion, it will increase. But the development made on the Saguenay was an isolated one, for a specific purpose, hundreds of miles away from the industrial centre of Canada. That was the reason why it was thought that the power from the Shipshaw development might not be used. It was, I think, 400 miles away, and that is an extremely long distance to be covered by transmission lines.

Mr. MacNICOL: Perhaps I can answer the hon. member for York West. It was a good question which he raised. The 40,000 horsepower is shipped to the United States but they

return that to us at Niagara falls. In other words, we exchange that 40,000 horse-power there for 40,000 horse-power at Niagara falls.

Section agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

RAILWAY ACT AMENDMENT

INCREASED SALARIES TO TRANSPORT COMMISSIONERS—RAILWAY GRADE CROSSING FUND

Hon. LIONEL CHEVRIER (Minister of Transport) moved the second reading of Bill No. 255, to amend the Railway Act.

Mr. RODNEY ADAMSON (York West): Is the minister going to make a statement?

Mr. CHEVRIER: No. I made a complete statement on the resolution. We are now on second reading of the bill.

Mr. ADAMSON: I should like to make a short statement. I wish to thank the minister for having incorporated in this bill two parts of the bill introduced by myself in the last two sessions of parliament and sponsored by my silent partner, the hon. member for Peel (Mr. Graydon). The sections of this bill which have to do with the abatement of noise, particularly the whistling noise at railroad crossings, deal with a matter which is a serious one for the urban areas in question. It has been, I think, completely substantiated that, in an urban area with properly protected crossings, the sound signal does not have the effect as a safety measure that it has in rural areas. I merely want to go on record as saying that I think this bill was thoroughly discussed in committee last year when I introduced a private bill, and that all the evidence possible was adduced in that committee. Speaking for the hon. member for Peel, who is absent today fulfilling the necessary democratic function of casting his vote in his own county—

Mr. SMITH (Calgary West): To drink or not to drink.

Mr. ADAMSON: —and for myself, I wish to thank the minister for introducing this bill.

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

Sections 1 and 2 agreed to.

On section 3—Grant for ten years from 1947.

Mr. SMITH (Calgary West): Section 3 is, I take it, the one which covers grade crossings. I merely rise to express my complete approval of such a fund being provided. Perhaps I am repeating myself at this time, but I should like to mention something that was mentioned last year. I believe I said at that time, and I now repeat, that level crossing accidents stand as one of our greatest scandals. Indeed, only a few weeks ago, right in my home city, three people were killed at a level crossing. These are the type of crossings to which funds such as those we are now discussing, contributed as they are by the government, the railway and the municipality, could be allocated.

I have risen simply to express my approval of the granting of this money, although I am not strongly in favour of the ten-year provision. I believe there might be occasions when the amount should be increased. Of course the only way to do so would be by amending the statute. This, however, is only a matter of detail. I am very much in favour of spending this money.

Mr. FLEMING: I should like to add a word to what has been said by my colleague, the hon. member for Calgary West. There can be no question that we have fallen far behind the requirements of the country in the matter of grade separation. The grade separation fund has not been augmented in recent years. Of course we realize that works involving grade separations had to be curtailed during the war. But now that the war is over, I suggest that we should raise our sights in the matter of construction of grade separation works.

When the minister spoke on the resolution he indicated that, in addition to this annual vote to the grade crossing fund, by means of this amendment to the Railway Act the government had in contemplation some augmentation of the fund by special grant to provide funds necessary to carry out grade separation at a number of places where surveys by the board of transport commissioners had indicated grade separation needs were well established. I should like to express the hope that there will be no delay in that respect.

The grant involved in the bill before the committee is not adequate to undertake any large-scale programme. There will have to be some further augmentation if we are to make any serious attempt to catch up with the arrears of work. The expansion of road traffic has increased the existing dangers. Along with that, as I pointed out earlier, the work of grade separation has been largely at a standstill in recent years. So that there is a substantial backlog of grade separation work now to be done. That will require augmentation of the fund.

To add to what has been said by my colleague, the hon. member for Calgary West, let me express the hope that the government will not lose any time in furthering this programme and augmenting the fund.

There is, perhaps, one other matter worthy of mention in this connection, and affecting amounts to be voted in respect of railway grade crossings. The point is that for a period of time it has been the tendency of the board of transport commissioners in its decisions to increase the proportion of total cost of any of these works levied against the public purse, rather than against the railways immediately affected. That is another factor which enters into the problem before us and increases the necessity for our thinking in terms of substantial augmentation of this fund to meet a great need.

Mr. CHEVRIER: May I say one word in connection with the remarks of hon. members who have just spoken. There seems to be some misunderstanding about the amount of money paid into the grade crossing fund. It may be thought that this is the only amount of money being provided for the elimination of grade crossings. Such is not the case and it would be unfortunate if the committee were to gain that impression. Since the grade crossing fund was established, there has been paid into the fund, not only these amounts voted at the rate of $200,000 a year, but also other additional amounts which total $11,795,000. Apart from that, there have been spent by the provinces and municipalities $15,675,000 as their share toward the elimination of grade crossings; an additional $16,397,000 have been paid by the railways, making a total of $43,867,000 provided for the elimination of these crossings. Then, as my hon. friend suggested a moment ago, parliament can grant a special vote for certain projects which may come to the attention of the government and receive approval.

Then, as I said on the resolution, the board of transport commissioners has been asked to make a survey of grade crossings which in the country are in such condition as to require work being undertaken at the earliest possible moment. Just where the report stands, I do not know. When it does come before the government and what action will be taken I am not in a position to say. However I hope that certain priorities may be established, and that the funds will be voted out of the appropriations of the Department of Reconstruction and Supply or, again, perhaps, out of the funds of the Department of Transport, to eliminate such dangerous crossings. So that it is not only the grade crossing fund which is directed toward the elimination of these crossings. There are other funds, as well.

Mr. SMITH (Calgary West): It is all set out in the railways report.

Mr. CHEVRIER: Yes. While I am on my feet, perhaps I might answer one or two questions. First, the hon. member for Durham asked about the quantity of American as opposed to Canadian materials which went into signals at grade crossings and level crossings. The answer is that approximately two-thirds of all materials used in the installation of automatic signals are purchased in the United States. They are not manufactured in Canada. The duty on such materials coming from the United States is twenty-five per cent. The remaining one-third of materials is of Canadian manufacture.

Then the hon. member for Muskoka-Ontario asked who carries out the work of grade separation, and whether it was done in each instance by the railways. The answer is that where grade separation involves the building of a highway bridge over the railway, if the highway authority is a provincial department or a large municipality the bridge is generally designed and built by the highway authority. All work on railway property is carried on under the supervision of the railway company. If the highway authority is a small municipality which has no adequate staff for carrying out the work, the bridge is designed and built by the railway company. Where grade separation involves the construction of a subway to carry the highway under a railroad, the subway is designed and constructed by the railway company.

Then the hon. member for Calgary West asked about the duties of the board of transport commissioners. I have gone to the trouble of getting the 1945 and 1946 reports, and obtaining from those reports the actual work of the board. It would be somewhat lengthy to place it all on *Hansard;* but if the hon. member insists, I can do so.

Mr. SMITH (Calgary West): Perhaps the minister would let me have it?

Mr. CHEVRIER: Yes. It is a summary of what is done, and I shall be glad to let the hon. member have it.

Mr. FLEMING: I have one question with respect to a further vote based on the survey now being undertaken by the board. Is there any expectation that that report will be available this year, and that the vote will be included in this year's appropriation?

Mr. CHEVRIER: There is every expectation that the report will be available this year, but I cannot tell my hon. friend whether it will be available in time to be included in the supplementary estimates. I doubt very much

whether that would be possible, because when the report is received it must receive the approval of the Department of Reconstruction and Supply. It was that department which asked the board of transport commissioners to make the survey. Therefore the engineers of the Department of Reconstruction and Supply will have to look at the report so as to ascertain which should have priority and where, perhaps because of spotty unemployment, there might be greater urgency of doing the work in one particular area than in another.

Mr. FLEMING: The board of transport commissioners was just invited to make recommendations as to crossings and grade separation works?

Mr. CHEVRIER: That is right.

Mr. ADAMSON: Just one matter with regard to the materials used for safety devices at level crossings. Some years ago and again last year I made representations to the Minister of Finance that the materials and equipment made by the United States company—I just forget the name—should be admitted at a lower rate of duty or duty free. This equipment is not made in Canada, and the duty imposes an extra tax upon security and safety at level crossings.

Mr. CHEVRIER: The hon. member for Durham made the same representation the other evening and I shall see that it is brought to the attention of the Minister of Finance.

Section agreed to.

On section 4—Fencing approaches.

Mr. SMITH (Calgary West): This section has to do with fences at approaches to level crossings. It reads:

> Such fences or other structures as the board may by order or regulation direct shall be erected and maintained on the sides of the approaches mentioned in subsection one of this section.

The explanatory notes point out that the present subsection was introduced at a time when vehicular traffic was confined almost entirely to horse-drawn vehicles, and the reason for the suggested change is that fences as previously provided for tend to obstruct the view. I wonder if we need to change the statute. It will be remembered that a legal fence is a fence four foot high with so many wires. Will this make things safer?

Mr. CHEVRIER: It will. This is being inserted at the request of many provincial ministers of highways who think the old fences obstruct the view and who feel that if this were left to the board it would be safer for the public generally.

Section agreed to.

[Mr. Chevrier.]

Sections 5 to 8 inclusive agreed to.

Bill reported, read the third time and passed.

CANADIAN NATIONAL-CANADIAN PACIFIC ACT

JURISDICTION OF FEDERAL AUTHORITY OVER RATES OF PAY, HOURS OF WORK, ETC.

Hon. LIONEL CHEVRIER (Minister of Transport) moved the second reading of Bill No. 254, to amend the Canadian National-Canadian Pacific Act, 1933.

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

On section 1—Employer-employee agreements.

Mr. CHEVRIER: I think the committee is entitled to an explanation as to why this bill is being brought forward at this time. The Canadian National and Canadian Pacific railways have been experiencing difficulty with their collective agreements across the country. Under section 92, subsection 10, paragraph (a) of the British North America Act, this parliament has jurisdiction over railways connecting a province with any other or others of the provinces, or extending beyond the limits of a province.

As the committee knows, the railways have entered into collective agreements covering rates of pay, hours of work and other terms and conditions of employment with their employees. They have run into certain difficulties, because the provinces under property and civil rights have enacted legislation having to do with the same subjects such as rates of pay, hours of work and certain other working conditions. For example, Ontario provides for one week's holidays with pay after the first year of work. Saskatchewan provides for two weeks of holidays after the first year of work. Alberta provides for one week of holidays after the first year of work and two weeks thereafter. In Saskatchewan I think there are some five provincial statutes having to do with labour matters. In Alberta there is similar legislation and also in British Columbia.

What is happening is that when the railways enter into collective agreements with their employees they are face to face with legislation which is different in each of the provinces. In other words, it is not uniform and is creating chaos. The railways simply cannot operate under these conditions. In Saskatchewan the railways were prosecuted by the provincial government for infraction of their labour acts. A stay of prosecution was

granted pending an application by the railways to the courts for clarification and for a pronouncement by the courts upon the legality of the provincial legislation. The courts decided against the legislation.

Mr. JAENICKE: Only as far as railway employees are concerned.

Mr. CHEVRIER: I am dealing only with railway employees. The hon. member is quite right in bringing that forward. The supreme court of Saskatchewan decided that the legislation was ultra vires in so far as railway workers are concerned. In fact the judgment goes beyond that and says that the railway agreements would cover hotel employees because they are an integral part of the system.

The collective agreements that are made with the brotherhoods are made after careful negotiation and the railways are most anxious that the legislation be uniform. After careful consideration, the government came to the conclusion that the only way to do this would be to amend the Canadian National-Canadian Pacific Act. The object of this bill is simply to avoid a chaotic condition across the country and I hope that the legislation will commend itself to the committee.

Mr. SMITH (Calgary West): I am very much in favour of this legislation for the reasons the minister has given, but I should like to ask a question or two in order that we may be sure of what we are getting. Is there some definition which defines National Railways and Pacific Railways. The section reads:

> The rates of pay, hours of work and other terms and conditions of employment of employees, of National Railways or Pacific Railways.

Mr. CHEVRIER: Yes, it is defined in the Canadian National-Canadian Pacific Act.

Mr. SMITH (Calgary West): It goes on to refer to "construction, operation or maintenance of National Railways or Pacific Railways". What does that include? In other words, does the act apply solely to the railway corporations or does it apply to any subsidiaries which they may have? Hotels were mentioned by the minister a moment ago. Let us assume that a railway company has its own trucking service, which they do have in some places. Perhaps the minister would not propose to go so far as to cover some local situation like that. In other words, does this bill include all the subsidiary businesses into which a railway might care to go? I hope it does not. I think the words are rather well chosen, "construction, operation or maintenance," but perhaps they need a bit of clarification. May I say again that I am very much in favour of the bill. I think this is the only way the railways can operate. I also know that the railways and the men themselves on both the main lines are in favour of the measure as we have it.

Mr. CHEVRIER: Perhaps I may read the definition of "National Railways" as contained in section 3 (e) of the act:

> "National Railways" means the National company, as owner, operator, manager and otherwise, and its transportation, communication and hotel system, which system shall be deemed to comprise all companies which are elements of the Canadian National Railways as defined in the National Act, the respective undertakings of such companies, the National company in its capacity as owner, manager, or operator, in whole or in part, of any railways, including Canadian government railways, or of any land, water or air transportation or communication services or hotel services, and the said railways and services, their works and property, and all such works and property as are ancillary.

The same definition applies to Pacific Railways. So it includes all that my hon. friend contemplated in his question.

Mr. SMITH (Calgary West): Our railways operate ships, for example, on both coasts and on the great lakes. They own those ships, although the name of the company may be somewhat different from that of the railway. According to what the minister has just read, the definition seems to cover everything, and I question very much if he intended this to apply to seamen, for example, who are working on the lakes or on our coasts on boats owned by the railways. I want to make sure that all the people who are to be brought under this have been consulted and are agreeable to being brought in.

Mr. CHEVRIER: I am informed that the bill covers everything in the definition.

Mr. WRIGHT: Would it include Trans-Canada Air Lines?

Mr. CHEVRIER: No; I am informed that is a separate corporation.

Mr. HAZEN: As the minister has told us, and as is stated in the explanatory note, the purpose of the bill is to provide that rates of pay, hours of work and so on, shall be such as are set out in employer-employee agreements filed in the office of the Minister of Transport. The new section 27A reads:

> The rates of pay, hours of work . . . shall be such as are set out in any agreements . . .

Then it says at the end:

> . . . if such agreements are filed in the office of the Minister of Transport.

What puzzles me a little is this. I see no provision in the bill that makes it obligatory on a company to file an agreement in the office of the Minister of Transport. Possibly some section of the act which this bill is proposed

to amend provides for that, but as I read this bill it does not state that any agreement has to be filed.

Mr. CHEVRIER: The answer is that if they want to take advantage of the act they will have to file the agreement.

Mr. HAZEN: That is not satisfactory, is it?

Mr. CHEVRIER: I would say it is.

Mr. HAZEN: Is it satisfactory to the government?

Mr. CHEVRIER: It is satisfactory to the government, and I am sure it will be to the brotherhoods because I agree with the hon. member for Calgary West when he said that he knew this had the approval of the brotherhoods. I have in my file a letter from the brotherhoods. While they have not all approved this, I think the majority of them have.

Mr. HAZEN: The agreement could be filed by either the company or by one of the brotherhoods?

Mr. CHEVRIER: Yes.

Mr. SMITH (Calgary West): Remember, I am all in favour of the bill. I am only worried that perhaps we may be taking in some territory we do not intend to take in. For example, the hotel employees have their union which is quite separate from any railway union. The staff of the Chateau Laurier, for example, are in a union which covers the other hotels in Ottawa. I think the Minister of Labour will agree with me on that. Here is my difficulty. I am going to vote for this bill—let there be no doubt about that—but I do not want us to deal too hurriedly with the rights of a number of people who have not been consulted and whose interests have perhaps not been considered. I mention hotels as one thing, and I mentioned trucking as another. Certainly the railways have many interests. Let us assume that a railway has gone into the bus business, as the railways have in some places, and operates a bus line which is not interprovincial or anything of that kind. I am not just sure that we should not limit this bill to certain operating trades which have agreements that we know exist. I am not being critical at all, but I do not think the minister wants to spread himself into perhaps dangerous territory. That is all I am trying to avoid.

Mr. CHEVRIER: The hon. gentleman's point is well taken, and I am glad he has raised it. I have in mind definitely the question of hotels, because there is pending at the moment in British Columbia a lawsuit over this very thing. The government of British Columbia have, I understand, no objection to this legislation, save that they say it should not be applicable to hotel employees because hotels are a matter which come under property and civil rights and should be legislated upon by the province. Mr. Justice Bigelow, in his decision in the Saskatchewan case, agreed with the minority judgment of Mr. Justice O'Halloran of British Columbia that this legislation should cover hotel employees because that was an integral part of the railway's business. That is with respect to the local aspect only.

With respect to the other aspect, I am informed that the railways, both the Canadian National and the Canadian Pacific, have consulted with all their employees, including hotel employees and express company employees, and that they are in agreement with this legislation. I am further informed that the employees' organization known as the joint negotiating committee have approved this legislation.

Mr. SMITH (Calgary West): I doubt that the hotels are represented on the joint negotiating committee. If they are I have not heard of it.

Mr. MITCHELL: The Canadian Brotherhood of Railway Employees represents the employees of the Chateau Laurier; it is a national organization, a member of the joint negotiating committee. I have not it with me, but I have seen a copy of the letter sent by this organization to the Minister of Transport. The Canadian Brotherhood of Railway Employees joined in the request that this legislation be adopted.

Mr. McKAY: A moment ago the minister said that certain provinces had labour legislation which seemed to be at variance. For instance, some provinces had one week's holiday with pay, and others two weeks' holiday with pay. This seems to indicate that we have great need for a national labour code to govern that sort of thing. The minister also mentioned the fact that the railway companies had consulted the brotherhood. Did the minister make any direct representation to the brotherhoods to find out their reaction to this bill?

I should like the minister to clarify another point. Since there is varying provincial legislation having to do with labour conditions, will the agreement which is mentioned in this bill vary from province to province because of the different types of legislation that are found in the different provinces which have been mentioned?

Mr. CHEVRIER: The answer to the first question is that the minister made no representation to the brotherhoods. It was the other way round, if anything. The chairman of the negotiating committee, Mr. F. H. Hall, wrote to me under date of June 2, 1947. Perhaps I had better put the letter on record:

The Honourable Lionel Chevrier,
Minister of Transport,
Ottawa, Ont.

Dear Mr. Minister,—

A copy of Bill 254, "An Act to amend the Canadian National-Canadian Pacific Act, 1933," has just come to hand. It embodies the principles which some time ago received approval of the organizations, national and international, representing the employees on Canadian railways.

This approval was expressed in a formal motion adopted by the negotiating committee of these unions, and was conveyed to the railways. The Brotherhood of Railroad Trainmen withheld its acquiescence pending some further consideration, and no advice has been received subsequently as to its position in the matter.

The organizations participating in the action referred to are as follows:—

Brotherhood of Locomotive Engineers.
Brotherhood of Locomotive Firemen and Enginemen.
Order of Railway Conductors.
Division No. 4, Railway Employees' Department (A.F. of L.) (shop crafts).
Order of Railroad Telegraphers.
Commercial Telegraphers' Union of North America.
Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and station employees.
Canadian Brotherhood of Railway Employees and other Transport Workers Brotherhood of Maintenance of Way Employees.
International Brotherhood of Firemen and Oilers.
Brotherhood of Express Employees.
Brotherhood of Railroad Signalmen of America.
Hotel and Restaurant Employees' International Alliance.

Should you desire any further information in this connection please advise.

Yours very truly,
(signed) F. H. Hall,
Chairman, Negotiating Committee

copy to: The Honourable
The Minister of Labour.

The second question of the hon. gentleman was whether this would apply uniformly to all the provinces. The answer is yes; the moment this is enacted, it gives legal force to collective agreements made between the railways and the employees all across Canada.

Mr. McKAY: And will it take precedence over provincial legislation?

Mr. CHEVRIER: Yes, by virtue of the British North America Act.

Mr. FRASER: The minister said Trans-Canada Air Lines would not come under this bill. Will Canadian Pacific Air Lines come under it?

Mr. CHEVRIER: I do not think so. I am informed that the Canadian Pacific Air Lines are on the same basis as Trans-Canada Air Lines, and are an excepted company.

Section agreed to.

Title agreed to.

Bill reported, read the third time and passed.

PORT ALBERNI HARBOUR

PROVISION FOR INCORPORATION OF COMMISSIONERS

Hon. LIONEL CHEVRIER (Minister of Transport) moved the second reading of Bill No. 240, to incorporate the Port Alberni harbour commissioners.

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

On section 1—Short title.

Mr. CHEVRIER: Mr. Chairman, I think a word of explanation should be given at this time. This bill seeks the establishment of the Port Alberni harbour commissioners. The Department of Transport, apart from the national harbours board, operates public harbours in two ways: first, under the control of a wharfinger or a harbour master, both of whom are paid fees of office; second, under the control of harbour commissioners, such as is being sought at this time by the port of Alberni.

There are several examples of the latter class of control of ports, such as the Toronto harbour commissioners, the Belleville harbour commissioners, the Trenton harbour commissioners and the city of Hamilton harbour commissioners in Ontario; St. Boniface and Winnipeg in Manitoba, and North Fraser and New Westminster in British Columbia. When the business of a harbour master and a wharfinger expanded to such an extent that the harbour master and/or the wharfinger is unable to cope with the traffic that is offering in the port, then the question arises as to whether or not there should not be another form of control. That is exactly what is happening in the port of Alberni. It is deemed there that the volume of business is now too great to permit of effective control either by the wharfinger or the harbour master. The wharfinger is on a 24-hour call and has a crane operator and several wharf employees under his direction. The wharf, besides being used for freight in transit, is used for storage of lumber. There are perhaps two or three

large companies and possibly a dozen smaller ones handling lumber. This necessarily complicates the routing of traffic and increases the business.

The demand for this sort of legislation has come from the municipal authority. The port of Alberni city council, the Alberni city council and the Alberni and district board of trade have all made representations for a commission such as this to be set up, and that the business of the port be controlled in such a manner that the commissioners will be responsible to someone in authority. There is nothing new about the principle or about the sections set out in this bill. It is a model bill based on the New Westminster bill and the North Fraser bill. I can think of little of any difference between the statute which incorporated those commissioners and the one at present before the committee.

Mr. FRASER: Are they full-time or part-time commissioners?

Mr. CHEVRIER: That depends on the amount of work. They are part-time commissioners—

Mr. FRASER: At the present time?

Mr. CHEVRIER: Well, they are not set up now, but when they are set up they will be part-time commissioners with perhaps one officer, such as a secretary, who would be a full-time appointee.

Mr. GIBSON (Comox-Alberni): On behalf of the city councils of Alberni and Port Alberni and also the board of trade of Port Alberni and district, I wish to express to the minister appreciation of his action in bringing forward this legislation at the present time. I should also like to thank the staff of the Department of Transport for their courtesy to me in working out the various details of the legislation.

As is well known, Port Alberni has expanded rapidly, being one of the most important shipping ports on the Pacific coast in recent years. It is not generally known in the house that Port Alberni is the western terminus of the Canadian Pacific railway.

As the minister explained, the administration of the port has been carried on under a wharfinger, in part, the rest of the administration being conducted by a part-time harbour master, and it has been found that with administration of that kind, directed as it was from Victoria and with further relation to Ottawa, such a great distance away, there was not that close personal attention to the development of the port which was necessary in view of the expansion that was taking place. All I can say to hon. members is that this meets with the approval of the people of Port Alberni and I recommend it to their consideration.

Mr. GREEN: Has the minister the tonnages over the wharves?

Mr. CHEVRIER: Cargoes loaded for and unloaded from foreign countries at the ports of Alberni for the years 1938 to 1945 inclusive are:

	Tons
1938	852,119
1939	935,151
1940	996,360
1941	2,133,450
1942	248,275
1943	152,413
1944	291,267
1945	357,876

Mr. GREEN: Can the minister give the number of ships?

Mr. CHEVRIER: I have not the ships, but I can give the gross collections and it may be worked out from that. The collections for the fiscal years from 1937 are:

1937-38	$20,796
1938-39	25,009
1939-40	30,924
1940-41	16,508
1941-42	9,896
1942-43	2,690
1943-44	5,995
1944-45	8,082
1945-46	14,130
1946-47	20,436

Mr. ADAMSON: The minister mentioned 2,000,000 tons in 1941, and then there was an amazing drop to something like 180,000 tons.

Mr. CHEVRIER: In 1941 it was 2,133,450 tons and that dropped to 356,000 tons in 1945. I understand that in 1946-47 there is an increase but I have not the latest figures.

Mr. HAZEN: Has the national harbours board any jurisdiction over this port?

Mr. CHEVRIER: None whatever.

Section agreed to.

Sections 2 to 10 inclusive agreed to.

On section 11—Remuneration of members.

Mr. FRASER: What will be the remuneration?

Mr. CHEVRIER: The remuneration is a matter to be fixed by the commissioners themselves. Some commissioners receive no remuneration. The Toronto harbour commissioners receive no salary. Winnipeg and St. Boniface commissioners receive no salary. On the New Westminster board the chairman and the commissioners receive salaries. It will be a matter for the commissioners to determine, subject to the approval of the governor in council.

Section agreed to.

Sections 12 to 18 inclusive agreed to.

On section 19—Expropriation proceedings under the Railway Act, R.S. c. 170.

Mr. HAZEN: Is the harbour owned by the town? Is it an incorporated town that owns the harbour, or who owns it?

Mr. CHEVRIER: There are two incorporated municipalities. There is the city of Port Alberni and there is the city of Alberni. The land is owned by either or both of these two municipalities, subject, of course, to government wharves, which are the property of the dominion government, and this bill will grant a conveyance. The information I have is that we are the owners of the harbour as it is now, and the section which we have passed setting out the description by metes and bounds is for the purpose of the commission and the departmental officers, so that we shall know over what territory the commissioners will have jurisdiction.

Mr. HAZEN: I understand that the dominion government owns the harbour. Am I right?

Mr. CHEVRIER: It owns certain wharves and owns the bed and the inlet of the river.

Mr. ADAMSON: The Alberni canal is a purely natural inlet from the sea?

Mr. CHEVRIER: Yes.

Mr. ADAMSON: There is no artificial dredging?

Mr. CHEVRIER: None.

Section agreed to.

Sections 20 to 31 inclusive agreed to.

Bill reported, read the third time and passed.

MARITIME COMMISSION

PROVISION FOR DUTIES AND FUNCTIONS UNDER CANADA SHIPPING ACT

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply) moved that the house go into committee to consider the following resolution:

That it is expedient to present a bill to establish a corporation to be known as the Canadian maritime commission to exercise certain powers and perform certain duties and functions under the Canada Shipping Act, to administer any steamship subvention voted by parliament, and to exercise powers or perform duties and functions under any other act or order of the governor in council.

Provision is made further for the advisory functions of the commission, for the employment of professional and technical advisers and assistants and the remuneration thereof, and for all expenses under the act to be paid out of moneys appropriated by parliament for the purpose.

Motion agreed to and the house went into committee, Mr. Macdonald (Brantford City) in the chair.

Mr. HOWE: I have a somewhat lengthy statement setting out the purpose of this legislation. I could make it either on the resolution or on the bill. I suggest for the consideration of hon. members that the resolution be allowed to pass, that the bill be introduced and that I make my statement on the bill.

Mr. GREEN: I am afraid we cannot consent to that. We wish to have all the information available at the resolution stage.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): Mr. Chairman, in moving the resolution I propose, first, to review briefly the developments which have led to the present Canadian shipping and shipbuilding position which, in the opinion of the government, makes the establishment of a maritime commission desirable at this time.

During world war I, the historic Canadian shipbuilding industry, which had fallen on hard times with the coming of iron and steel, was revived by being given orders for forty-two merchant ships to be built for the imperial munitions board. Early in 1918 the government of the day decided that cargo ships for Canadian account should also be built, and a programme for the construction of forty-five ships was started. This was subsequently increased by a further eighteen ships, making sixty-three in all.

In January, 1919, the Canadian Government Merchant Marine Limited was formed as a government agency for managing and operating government-owned ships.

The first of these ships was delivered to the Canadian Government Merchant Marine Limited on February 22, 1919, and deliveries were spread over the following three years until the last ship of the programme was put into service on January 29, 1922.

The entire fleet therefore only commenced to earn revenue after the armistice, and by the time all the ships were in service the post-war boom in shipping was over and freight rates had dropped more than fifty per cent. The cost to build this fleet at the peak of shipyard prices was approximately $80 million.

The government held a five and one-half per cent mortgage on the capital cost of each ship, which the ship's earnings were intended to amortize. This had the effect of saddling each ship with very high charges which they were never able to earn. Various recommendations were made from time to time that the costs of the ships should be written down to their new post-war depreciated values; but these recommendations were never given effect to. This arrangement produced a total accrued interest for the whole fleet of over $51 million during its full period of operation, which amount finally had to be written off, together with a total depreciation of over $31 million.

In March, 1923, the sale of twenty-seven of the ships by public tender was authorized, but bidders were few and by 1926 only eighteen ships had been disposed of.

In 1929, seven vessels were transferred to the newly formed Canadian National (West Indies) Steamships Limited.

Between 1932 and 1935, all but ten of the remaining ships were disposed of and, finally, in 1936, the last ten were sold expressly for operation by a private syndicate between Canada, Australia and New Zealand.

The commencement of the second world war in 1939 found Canada with only thirty-five regular ocean-going ships of over 1,600 gross tons on its register, totalling, in all, 241,880 gross tons. Of these, twenty-two were owned either by the Canadian National Steamships (a company which had been created in 1928 principally to take care of our West Indies trade commitments) or by the Imperial Oil Company.

Once more the Canadian shipbuilding industry was revived, but this time on a very much larger scale than in the first great war. At first, building was confined to naval escort vessels, but in the fall of 1940 the building of merchant ships had become a matter of the highest priority for the allied cause and the United Kingdom called upon Canada to build ships.

In April, 1941, Wartime Merchant Shipping, a crown company, was established to deal with this essential building problem and to develop to the fullest possible extent all the shipbuilding resources of the country.

The first batch of ships programmed by this company consisted of ninety vessels of the "North Sands" type (10,000 tons deadweight). It was later arranged that these should be sold at cost price to the United States, which would in turn "lease-lend" them to Britain.

As a result of this, the British government only bought for cash two completed ships of the twenty-six which they had ordered before the lease-lend arrangement was made.

[Mr. Howe.]

As soon as construction was well under way, the government decided that a proportion of the ships building in Canada should be retained for Canadian operation.

The Park Steamship Company, another crown company, was accordingly formed in March, 1942, to take over the ships allocated for Canadian operation on the government's behalf. This time, however, it was decided that the ships should not be operated directly by the government agency, but should be allocated by it to various private shipping organizations in the country who would manage and operate them on a fee basis. By this means, private operators were given additional experience in the management of ships, whilst the profits earned by the vessels were turned back through the Park company to the treasury to offset the cost of their building.

As a result of this decision, the first "Park" ship went into service all but three years before V-E day and, by carefully controlling the shipbuilding programme, the last "Park" vessel was completed in September, 1945, one month after V-J day. This was a very different state of affairs from that which occurred during and after the first world war.

By the time that the ninety ships for Lease Lend had been delivered to the United States, arrangements had been completed for the proportion of ships not required by Park Steamships to be "Mutual Aid-ed" to Britain direct by Canada on a nominal charter hire basis.

The Park Steamship Company was responsible only for ships which were turned over to it by the government. These vessels were recognizable by the suffix "Park" after their original names (except one, *Camp Debert* which was also a "Park"). In all, Park Steamship Company have been directly responsible for 176 ships.

One ship named *Fawkner Park* was bought by the mutual aid board direct from Wartime Shipbuilding, lent by them to Australia, and finally sold to an Australian firm. It never came under the Park company.

The 10,000-ton ships built in Canada and turned over to Britain both by American lend-lease and later by Canadian mutual aid were named after North American forts, and the word "Fort" was a standard prefix before all their names. In addition to the ninety bought by the United States of America, a total of ninety-eight "Forts" were turned over to Britain, under mutual aid from Canada. These ships were placed on the British registry but Canada retains title to them.

As the war progressed, various developments took place in the shipbuilding field. The original "North Sands" design, which had

coal-burning boilers, underwent two modifications. First, the ships were fitted with oil-burning water tube boilers, and this type was known as the "Victory" type. Later, ships were again fitted with Scotch burners but adapted to burn either oil or coal as required. These were known as the Canadian type. To overcome the chronic shortage of tankers in 1942, one "North Sands" and twelve "Victory" type ships were converted to carry liquid cargo. Six small tankers were also built and one was created by a conversion.

A smaller type of ship of 4,700 tons dead-weight, suitable for carrying cargoes where the depth of water precluded the use of larger ships, was also constructed. A number of this type were chartered from Park Steamship Company by the Canadian mutual aid board for operation by Britain and proved particularly useful in helping to provide the requisite tonnage for the invasion.

In the later stages of the war, a number of 10,000-ton ships were suitably modified during building for use as "store issuing" ships and "maintenance" ships for the British fleet. These naval auxiliaries were planned for use in operations against Japan in the Pacific. Later still, the construction of two types of small "China coasters" for eventual use in far eastern waters was undertaken, and three 7,500 ton dead-weight 16-knot diesel driven ships were laid down in order to gain experience in the building and operation of a faster type of vessel.

In October, 1943, the government appointed a special committee to investigate and advise upon future Canadian merchant shipping policy. Two important recommendations of this committee were: that merchant ships should be operated in peace time by private enterprise; and that all government machinery dealing with merchant shipping should be coordinated. The first of these recommendations has already been fully implemented. The resolution now before the committee seeks to provide for the second.

Immediately the war was over, the government set about the disposal to private interests of its Park fleet, together with the diesel ships and china coasters under construction. It was provided that, so far as possible, these ships should be sold to Canadian companies for operation under the Canadian flag. There were, however, a certain number of ships which, for various reasons, were not considered likely to be of use to Canada in peace time, and these were offered for sale in the open market. Eleven 10,000-ton converted tankers, one small tanker, seventeen 4,700-ton freighters and one 10,000-ton freighter in damaged condition were sold to foreign interests. Newfoundland also bought one 4,700-tonner. Fifteen of the thirty-five China coasters were also sold to foreign interests as soon as they were completed.

The remaining government-owned merchant ships were offered to Canadian companies on the basis of a special sales formula. This formula for 10,000 and 4,700-ton ships will be found in *Hansard* for Tuesday, November 20, 1945, at page 2286. One modification was made to the formula then announced, in that the remainder of the purchase price was to be paid in seven equal annual instalments, and not fifteen as originally set out. In addition to these terms, ships purchased by Canadian companies were to be considered as eligible for the double depreciation under the provisions of section 6(I) (n) (ii) of the Income War Tax Act and order in council P.C. 8640 of November 10, 1944. Moreover, an additional special depreciation allowance of thirteen per cent of the cost of the vessels was allowed in the first year of operations.

It was considered that oil-burning vessels would be more in demand by Canadian buyers. As at that time twenty-eight of this type remained amongst the Forts lent to Britain, arrangements were made to exchange these for twenty-eight coal-burnings Parks then on the Canadian register. Just after this exchange was complete, each batch unfortunately suffered one casualty, so that now only twenty-seven ships are on the exchange list. The coal-burning Park ships were transferred to British registry, Canada retaining title to them. When the "Forts" arrived in Canada, the Park Steamship Company acted as agents for War Assets Corporation in disposing of them to Canadian companies under the special sales formula, and the ships came on to the Canadian register.

The response of private enterprise to the sales formula offer was most satisfactory, so that, with the exception of the three 4,700-ton ships which are on long-term charter and seven 10,000-ton ships under sales agreement to be delivered to their prospective purchasers upon the termination of their present charters, the Canadian operated government-owned fleet, including the twenty-seven exchanged "Forts", has now been disposed of. This means that six small tankers, 104 10,000-ton vessels and nineteen 4,700-ton vessels are now in the hands of private operators comprising thirty-three different companies registered in Canada.

The three diesel driven ships were sold by War Assets Corporation to the Canadian National Steamship Company. Nineteen China coasters were sold by the corporation to eleven other Canadian companies, and one was taken over by the Department of Trans-

port. The terms of sale to Canadian companies under the special sales formula provide that the ships must be operated under Canadian registry, and no application for transfer to any other flag can be made without the written approval of the Canadian government.

Eighty 10,000-ton ships presently under bare boat charter to the United Kingdom, in which are included the twenty-seven exchanged Parks, remain to be eventually disposed of. A total of ninety-eight of the ships were "Mutual Aid-ed" to Britain and, since mutual aid ceased, have been operated by the ministry of transport. In the meantime, the British have bought ten of the ships outright, and seven of the original ninety-eight became casualties. One damaged ship among these ninety-eight was sold by Park Steamships as agents for War Assets to foreign interests. The remaining eighty will be returned to Canada for disposal as their charters expire. All are to be returned before the end of 1950.

All told, we built, during the war years, a total of 446 merchant vessels in this country. And although I include the forty-two naval issuing and maintenance ships in this total since they had normal merchant ships' hulls and engines, I am not counting the number of naval escort vessels, mine-sweepers, landing craft and tugs which also featured largely in our total war shipbuilding effort. I will now place on *Hansard* a break-down of these 446 ships. Of this number, 176 vessels were turned over to the Park Steamship Company.

The DEPUTY CHAIRMAN: Has the minister the consent of the committee?

Some hon. MEMBERS: Agreed.

Mr. HOWE: The statement follows:

Ships Constructed by Direction of Wartime Shipbuilding Limited

	Tons Deadweight	Dry Cargo	Tankers	Maintenance	Stores Issuing	Total
North Sands	10,000	199	1	..	..	200
Victory	10,000	78*	12	26	12	128
Canadian	10,000	28	..	..	3	31
Grey and Dominion	4,700	43	..	..	..	43
"Lake" tankers	3,600	..	6	..	..	6
†Diesel-driven	7,500	3	..	..	..	3
†China Coasters "B"	1,200	15	..	..	..	15
†China Coasters "C"	300	20	..	..	..	20
		386	19	26	15	446

Notes: One dredge converted to carry liquid cargo is not included among the above-noted "Lake" tankers.

*One 10,000-ton Victory ship shown as "Dry Cargo" was converted to make a 16th stores issuing ship.

†Completed in 1946.

I should explain that the government carried its own insurance risk on the ships to which it held title. The eighty ships now on charter to the British ministry of transport are, however, protected by a compensation clause in the charter agreement which covers them from September 1, 1945, when mutual aid ceased.

The casualties which our ships have sustained have been very light considering the risks to which ships were exposed. Whilst of the ninety "Forts" lease-lent by U.S.A. to Britain, twenty-two were sunk and one seriously damaged by enemy action, the enemy only sank six of the mutual aid-ed "Forts" to which we retained title and seriously damaged one.

As regards the Park fleet itself, four ships were lost by enemy action whilst two have been lost by marine peril since the war. One of these vessels was under charter to the British at the time of loss and we were compensated for it under the current agreement.

Four Park vessels have suffered severe damage: one small tanker by enemy action, and two large tankers and one freighter by fire and explosion.

Whilst the committee will deplore the loss of the lives of thirty-five Canadian crew members and eight shore workers, which occurred as a result of these casualties in the Park ships, we must be thankful that the loss of life in our Park fleet was not greater.

I will now place on *Hansard*, with the permission of the committee, tabular accounts as of March 31, 1947, of our expenditure on purely merchant shipbuilding during the war, together with the amounts accruing from the operation and sale of the ships.

The DEPUTY CHAIRMAN: Shall the minister have permission to place these figures on *Hansard*?

Some hon. MEMBERS: Agreed.

Mr. HOWE: The accounts are as follows:

CANADIAN MERCHANT SHIPBUILDING—DETAILS OF OPERATION AND DISPOSAL

TABLE I.—"PARK" FLEET—31st MARCH, 1947

	A. Batch of ships	B. Number in batch	C. Cost of building	D. Number of casualties before sale	E. Total net earnings	F. Number of ships still earning	G. Number of ships disposed of	H. Revenue from sales	I. Remarks
			$ cts.		$ cts.			$ cts.	
1	"PARK" 10,000-ton (dead-weight) Dry Cargo Ships.	114	193,217,119 67	4	103,845,010 31	28	82	40,321,163 09	27 on charter to M. of T. exchanged for 27 of Batch 7 below. 1 under sales agreement to Canadian company. 1 sold damaged to foreign interests. Remainder sold to Canadian companies.
2	"PARK" 10,000-ton (dead-weight) Tankers.	13	25,682,823 20	.....	9,243,222 15	.....	13	7,495,721 91	2 sold in damaged condition. 2 sold to Canadian companies. 9 sold to foreign interests.
3	"PARK" 4,700-ton (dead-weight) Dry Cargo Ships including CAMP DEBERT.	42	51,763,782 28	2	9,964,207 01	3	37	14,878,997 26	18 sold to foreign interests. 19 sold to Canadian companies. (16 were at some time chartered from Park Steamships by Mutual Aid Board and loaned to Britain).
4	"PARK" small "Lake" Tankers.	7	6,273,397 21	.....	825,193 62	.....	7	1,775,000 00	1 of these was a converted dredge and was sold to United Kingdom. 6 sold to Canadian companies, one being in damaged condition.
	Totals.....	176	276,937,122 36	6	123,877,633 09	31	139	64,470,882 26	

NOTES.—The approximate sales revenue lost by vessels being sunk or sold in damaged condition totalled $3,331,500.
The six vessels casualty (total loss) cost $9,529,699.89 to build and earned a net of $3,038,111.28 before they were lost.

TABLE II.—SHIPS NOT UNDER PARK STEAMSHIP CO.

	A. Batch of ships	B. Number in batch	C. Cost of building	D. Number of casualties before sale	E. Total net earnings	F. Number of ships still earning	G. Number of ships disposed of	H. Revenue from sales	I. Remarks
			$ cts.		$ cts.			$ cts.	
5	"FORT" 10,000-ton (deadweight) sold to U.S.A.	90	146,013,984 66	.....	.....	.....	90	146,013,984 66	Lease-lent by U.S.A. to Britain.
6	"FORT" 10,000-ton (deadweight) sold to Britain 1941.	2	2,927,015 64	.....	.....	.....	2	2,927,015 64	FORT ST. JAMES and FORT VILLE MARIE originally ordered in 1940. Delivered before Lease-lend arranged and paid for by Britain.
7	"FORT" 10,000-ton (deadweight) Mutual Aided to Britain.	98	169,280,000 00	7	9,430,039 17	59	32	13,239,547 96	None of these started to earn any charter hire till Mutual Aid ceased, Sept. 1, 1945. 27 exchanged after war for 27 ships of Batch 1 (Table I, above). 21 sold to Canadian companies. 10 bought by Britain 1947. 6 under sales agreement to Canadian companies. 53 still under charter hire in Britain. 1 (FORT FIDLER) sold to foreigners (damaged).
8	4,700-ton (deadweight) Dry Cargo "FAWKNER PARK".	1	1,300,000 00	.....	.....	.....	1	427,500 00	Bought by Mutual Aid Board for Australia and finally sold to Australian firm. No charter hire paid.
9	Diesel-driven, 7,500-ton (deadweight) dry cargo and passenger ships.	3	10,420,000 00	.....	.....	.....	3	3,750,000 00	Completed 1946, and sold to Canadian National Steamships.
10	"B" Type China Coaster (1,200 tons deadweight).	15	11,414,000 00	.....	.....	.....	15	4,950,000 00	Completed 1946 and 5 sold by War Assets to Canadian companies. 10 to foreign interests.
11	"C" Type China Coaster (330 tons deadweight).	20	8,610,000 00	.....	.....	.....	20	2,290,000 00	Completed 1946 and 14 sold by War Assets to Canadian companies. 5 to foreign interests. 1 taken over by Department of Transport.
	Totals.....	229	349,965,000 30	7	9,430,039 17	59	163	173,598,048 26	

NOTES.—The approximate sales revenue lost by vessels being sunk or sold in damaged condition totalled $4,004,700.
The cost of building the seven casualties above, totalled approximately $12,060,000.

ESTIMATED REVENUE FROM FUTURE OPERATIONS

March 31, 1947

TABLE III—PARK FLEET

	A. Batch No. (see Tables I and II)	B. Operation	C. Estimated Revenue	D. Remarks
			$ cts.	
1	1	Charter hire of one 10,000-ton (dwt.) "PARK" ship from March 31, 1947, until delivery	4,714 00	Now under sales agreement for delivery as soon as present charter expires.
2		Sale value of one 10,000-ton (dwt.) "PARK" ship	428,570 00	
3	3	Charter hire of three 4,700-ton (dwt.) ships from March 31, 1947, to completion of charter	604,000 00	On long-term charter to Canadian company. Estimated value of ship on completion of charter $300,000.
4		Assumed sales value of three 4,700-ton (dwt.) ships on completion of present charter	900,000 00	
5	1	Charter hire due from U.K. for 27 "PARK" 10,000-ton (dwt.) ships from March 31, 1947, to return of ships to Canada	3,712,500 00	
6		Assumed sales value of 27 "PARK" 10,000-ton (dwt.) ships on return to Canada	10,800,000 00	As it is not possible to forecast the order of return of individual ships to Canada, the total estimates for the 80 vessels have been divided in the proportion of 27 to 53.
		"PARK" Totals	16,449,784 00	

TABLE IV—SHIPS NOT UNDER PARK STEAMSHIP CO.

Average value of ships on return taken as $400,000.

7	7	Charter hire of 6 "FORT" ships of 10,000 tons dwt. from March 31, 1947, until delivery	28,286 00	
8		Sale value of six "FORT" ships (10,000-ton dwt.) now under sales agreement	2,571,430 00	
9	7	Charter hire due from U.K. for 53 "FORT" ships from March 31, 1947, to return of ships to Canada	7,287,500 00	
10		Assumed sales value of 53 "FORT" ships on return from U.K	21,200,000 00	
		Non-"PARK" Total	31,087,216 00	

TABLE V—SUMMARY

March 31, 1947

		Millions $		References: Tables	References: Columns
1. "Park" Fleet	Cost of Construction		276·9	I	C
	Amount recovered to date	188·3		I	E and H
	Estimated Future Recoveries	16·4	204·7	III	C
	Estimated net loss		72·2		
	74% Recovered				
2. non-"Park"	Cost of Construction		350·0	II	C
	Amount Recovered to date	183·1		II	E and H
	Estimated Future Recoveries	31·1	214·2	IV	C
	Estimated net loss		135·8		
	61% Recovered				
3. Total operations	Cost of Construction		626·9	I and II	C
	Amount Recovered to Date	371·4		I and II	E and H
	Estimated Future Recoveries	47·5	418·9	III and IV	C
	Estimated net loss		208·0		
	67% Recovered				

NOTE:

Casualties	Actual loss due to casualties (Millions $)	Percentage of net loss due to casualties	Percentage of total building loss due to casualties
"Park" Fleet	3·3	4·6	1·2
non-"Park" Fleet	4·0	2·9	1·14
Total	7·3	3·5	1·16

From the above statements hon. members will see that, of our Park fleet, seventy-four per cent of the original cost of its construction should be recovered. Of the non-Park ships, sixty-one per cent should be recovered. In this case, account must be taken of the fact that, up until September 1, 1945, these vessels were on mutual aid to Britain and earned no revenue or hire.

Moreover, this group includes the three diesel-driven ships and the thirty-five China coasters, which were disposed of for other than war purposes as soon as they were completed at prices which were, of necessity, considerably below their construction costs.

In all, we spent a total of $626·9 million on the construction of these fleets for war purposes. We should finally recover approximately $418·9 million or sixty-seven per cent of our expenditure, leaving an estimated net loss of $208 million. Of this loss, $7·3 million, or 3·5 per cent is due to casualties.

I suggest that the government can look with some satisfaction upon its shipbuilding, ship operating, and ship disposal policies during the past-seven years.

We now find ourselves with a considerable merchant navy. A survey made in 1946 by the united maritime consultative council, which has since ceased to exist, credited Canada with the possession of a total of 1,948,000 gross registered tons of merchant shipping. On the same basis, the United States were credited with 41,078,000 tons; the United Kingdom, 13,441,000 tons; Norway, 2,663,000 tons; with Canada in the fourth position followed by the Netherlands, Sweden, and France in that order, all of which possess more than one million tons.

A more recent survey made in my department on April 1, 1947, showed that Canadian registered ships of over 1,600 gross tons, which is usually taken as a statistical minimum size for an ocean-going ship, amounted to 386 self-propelled ships having a total of 1,667,724 tons. However, of this total, fifty-two large cargo vessels are confined to operating on the great lakes, whilst seventeen more are passenger ships operating in comparatively sheltered waters.

With the consent of the committee, I will now place on *Hansard* a table showing the result of this survey for the convenience of hon. members.

The DEPUTY CHAIRMAN: Shall the minister have permission to place this on *Hansard*?

Some hon. MEMBERS: Agreed.

Mr. HOWE: The table follows:

Canadian-registered tonnage over 1,600 gross tons
(as of April 1, 1947)

Oceangoing freighters	142 No.	898,444 tons		
tankers	11 No.	84,425 tons		
			153 No.	982,869 tons
Canal freighters	121 No.	232,571 tons		
tankers	25 No.	52,883 tons		
			146 No.	285,454 tons
West coast passenger boats	16 No.	51,235 tons	16 No.	51,235 tons
Saint John-Digby ferry	1 No.	4,055 tons	1 No.	4,055 tons
Total possible oceangoing tonnage			316 No.	1,323,613 tons
Plus the following 70 other vessels over 1,600 tons gross:				
Icebreaker *N. B. McLean*			1 No.	3,254 tons
Paddlesteamers			5 No.	11,060 tons
Inland passenger ships and ferries			12 No.	58,711 tons
Upper lakers			52 No.	271,086 tons
Total Canadian self-propelled tonnage over 1,600 gross tons			386 No. vessels	1,667,724 tons

There are also 21 barges over 1,600 net registered tons totalling 61,931 net registered tons.

In addition to the above, Canada holds title to 80 ships totalling approximately 560,000 gross tons at present on charter to the British Ministry of Transport and temporarily under British registry.

From the above table it will be seen that our regular ocean-going tonnage today is 982,869 gross tons, compared with 241,880 tons in 1939, or four times as great. This does not include some 560,000 tons on charter to the United Kingdom and temporarily on British registry. When these British boats are returned the Canadian fleet will be six times as great as it was in 1939. Therefore, whether we like it or not, we are now in the merchant shipping business in a big way. Not only that, but we also have a big shipbuilding potential in this country.

The Canadian shipbuilding industry today comprises seventeen major well-equipped shipyards, and there are also a number of smaller ship and boat building concerns. During the peak of our war effort, there were 53,000 men employed on ship building in these major yards alone. Today they have over 16,000 men in their employ and have orders on hand for 122 various ships, which total roughly 300,000 gross tons.

Before the second world war, the normal government supervision, common to all countries, of our privately owned merchant fleet was carried out by the Minister of Transport, who is responsible for the administration of the Canada Shipping Act, 1934. We also had a section in the Department of Trade and Commerce which administered the various steamship subventions voted annually by parliament, and the Department of National Revenue was responsible for licensing ships in the coastal trade under part XIII of the Canada Shipping Act.

War conditions made it necessary to augment these arrangements considerably, and hon. members will recall that, amongst other agencies, the Canadian shipping board, under trade and commerce, the transport controller, under transport, and the director of merchant seamen, under transport, were set up to cope with the additional problems which arose. Of these, the shipping board and the transport controller's office have since been disbanded.

We now find ourselves in a world where all governments are interested in the maintenance of the merchant fleets owned in their respective countries.

The united nations has under consideration the formation of an intergovernmental maritime consultative council. Moreover, a number of important developments in the general conditions of sea service are taking place. Hon. members will recall that on February 28 of this year my colleague the Minister of Labour tabled the texts of conventions and recommendations which were adopted at the maritime session of the international labour conference on seafaring conditions held at Seattle in June, 1946. Since then, the British shipowners' and seafarers organizations have agreed upon and introduced a far-reaching scheme providing for virtually continuous employment for merchant seamen. For these and other reasons, the government feels that the time has come to reorganize our peacetime shipping administrative machinery, in order that it may better be able to assist and encourage our shipping and shipbuilding industries to maintain themselves in a healthy and efficient state. The government attaches considerable importance to this objective from both the general economic and the defensive points of view.

There is no question in our minds of trying to support a large merchant navy merely from the point of view of national prestige. We do feel, however, that a merchant navy adequate to our needs should be retained. It should be one of the duties of the proposed organization to keep those needs continually under review and to advise the government upon the general Canadian merchant shipping and shipbuilding situation.

Hon. members are well aware that a merchant navy is basically an industry which, like other industries, has to pay its way if it is to survive. It is, at the same time, a definite part of a nation's defensive armoury, and a considerable factor in a nation's economic structure. The efficiency of such an important industry is therefore a matter which must be of concern to any government.

Inseparably related to the merchant navy is the shipbuilding and repairing industry, which must also be taken into full account.

Finally I would remind the committee that, as a result of our war effort, we have established in this country merchant shipping and shipbuilding industries of considerable size.

The continuation, development, prosperity, and welfare of these enterprises is of national importance, both economically and strategically, and it is for this reason that I move the resolution now before the committee.

Mr. CHURCH: I congratulate the minister on the splendid address he has just given on the need for developing a national shipbuilding policy. I remember when I first came into the house what the condition of the shipbuilding industry was, not only on our coasts but also on the great lakes and the ocean. In Toronto we spend $30 million in buying up property on the waterfront and in building and developing our harbour and grade separation and waterfront. When I first entered

the house there was a proposal similar to this for the creation of a maritime commission, something like the railway commission, to regulate maritime shipping. In connection with that, a contract came up in the house in 1923, which was known as the Peterson contract with weeks of debate here. As I remember it, the maritime commission found that they had little jurisdiction on the ocean at that time.

I should like to mention the large shipping plants and others along lake Ontario and the upper lakes. As you look across the Detroit river to the United States side you can see the magnificent plants standing on the banks of the Detroit river. You can see the great United States steel and shipbuilding plants; you can see steamships built in the plants passing through the Welland canal which cost this country $130 million, and has a tonnage as great as the Suez and Panama.

We are an aquatic people. We have never given waterborne traffic and shipbuilding the recognition which it should have had long ago as a great national industry and a competitor with rails to regulate freight rates in this country. During the war, as the minister has said, 53,000 men worked in seventeen plants. I hope that some of these plants will be established in our harbour because it was one of the pioneers of shipbuilding on the great lakes. I think of the plants in Toronto that carried on shipbuilding during the war. There was a great shipbuilding plant at the foot of Spadina avenue in Toronto. Dominion Shipbuilding built all kinds of warships in the last war. I hope that this industry will be brought back to our city again as one of the pioneer cities in the construction of these boats.

I should like to mention the condition in which shipping found itself between the two wars. During that time, in the house I used to hold up copies of the *Times* of London, England, and the New York *Times*, showing that great liners and other large ships were being sold for taxes for $50,000 and $60,000. That was the awful condition in which shipping found itself before the second war broke out. If we are to have a maritime commission it is now time that we did something about it because I do not know what we shall do in six months time. This matter was referred to in the debate which we had on civil aviation. In that debate the minister showed what the British shipping commission had done in developing shipping the world over to help the empire on the seven seas and Canada. The growth of the empire has been due to shipbuilding and the union coal and steel, which made Britain mistress of the seas.

In view of what has happened at Moscow and Paris, and the fact that the conference there has failed utterly and has been postponed for six months to meet in London in November next, we shall need ships next November when the four powers reassemble. Shipping will have to be on a proper bigger basis so that the maximum food production may be sent to Britain, Germany and to other parts of Europe to save us from an awful disaster over there in the British zone and central Europe and provoke a third war. I believe one of the ways to prevent that is to have more Canadian ships available next fall and winter. In the short time that Canada has been building ships in war time she has shown what can be done. It is a marvellous achievement. A few mistakes were made in connection with war shipping, but that is bound to come about in and after any great war. I wish to commend the minister for the fine report he has made to the committee and to support the principle of the bill. This Canadian maritime commission is to exercise certain powers and perform certain duties and functions under the Canada Shipping Act, to administer any steamship subvention voted by parliament and so forth. Various other functions may be added to the commission from time to time. Shipping is a great national industry and we should have had maritime shipping commission established in the country long ago to keep pace with our trading position as the fifth best in the world for a nautical people.

Mr. GREEN: The minister had made an interesting statement with regard to shipbuilding in Canada and the Canadian merchant marine. I am sure we are all happy that the merchant marine is in a better position today than it was before the commencement of the recent war. As the minister spoke, I could not help thinking of the great difficulty we had in persuading him and the government to get started building these merchant ships.

Mr. HOWE: But for the opposition we would have been nowhere.

Mr. GREEN: Today I ran across a portion of *Hansard* of June 14, 1940, which contains my pointed and sincere pleas to the minister to get started on a programme of building merchant ships, and his reply at that time, as reported at page 785 of *Hansard*, was to this effect:

> Whether at a time like this we should divert the productive capacity of Canada to the peacetime operation of building merchant ships is, I think questionable.

Mr. MACKENZIE: It was true at that time.

Mr. SMITH (Calgary West): Somebody else's guess, now.

Mr. GREEN: A month or two after that, the minister was torpedoed on his way overseas, and it was not long until the government was sold on the need for building merchant ships. But quite apart from that, the main thing is that we did build merchant ships.

The statement this evening said very little about the proposal before the committee, which is to set up a maritime commission. It would have been helpful if the minister had given us as much information in his statement about this maritime commission. However I suppose one of the jobs of an opposition is to dig around and find out what these things are all about, and that is what we propose to try to do this evening.

I should like to ask the minister a number of questions. First of all, I take it that the main purpose of setting up the commission is set out in his statement in these words:

> That all government machinery dealing with merchant shipping should be coordinated.

In the statement the minister pointed out that there are different branches of government dealing with different aspects of shipping and the shipbuilding problem in Canada. I would ask him to tell the committee what different branches of the government service are to come under the maritime commission. For example, are all the subventions which are at present administered under Trade and Commerce to be handled by the maritime commission?

Then I come to the different functions of the Department of Transport having to do with the Canada Shipping Act and other features of shipping. Are they to come under the maritime commission? Where do the national harbours fit into the picture? Strong recommendations have been made by different bodies that the ports of Canada should be modernized. Probably that would come under the national harbours board, but we should like to know whether it is to come under that board, or is to be the responsibility of this maritime commission. Where do the other branches of the governmental service fit into this picture?

We should like to know which minister is to have control of this maritime commission. The Minister of Reconstruction and Supply is fathering the resolution, although we notice that he has the Minister of Transport sitting with him. Our understanding is that the Department of Reconstruction and Supply is a temporary one which is to be wiped out in due course; that its function is to take charge of reconstruction work. We should like to know what minister is to be responsible for this maritime commission.

A third question is whether the functions of the commission are to be advisory or are also to be operational. In the minister's statement we find these words:

> It should be one of the duties of the proposed organization to keep those needs continually under review and to advise the government upon the general Canadian merchant shipping and shipbuilding situation.

In a press dispatch from Ottawa, published in the Vancouver *Province* of June 3, I find this statement dealing with the proposal to set up a maritime commission:

> The commission will be purely advisory, but it will have power to secure all relevant information. It will be charged with presenting a complete picture of both shipping requirements and development possibilities, together with a survey of shipbuilding capacity.

In other words, according to that dispatch, the functions are to be purely advisory. We should like to know whether or not that is the case.

One other group of questions—and these are, I think, of the utmost importance to the committee—are along this line: Is the government or is this maritime commission assuming any responsibility for such things as, first, the number of vessels there are to be in the Canadian merchant marine, and, second, the type of vessels there are to be in that marine. That brings up the question whether we are to have a proper proportion of modern ships. I notice that Mr. Percy R. Bengough, president of the Trades and Labour Congress of Canada, made representations on this point to the cabinet, as reported on March 28 of this year in the Vancouver *Sun*. He is quoted as having said:

> We also bring to your attention the need of expanding Canada's merchant marine with faster and more modern ships so that Canada will be in a position to compete on equal terms with other maritime countries in expanding Canadian economy and world trade.

It is all very well to have a good merchant marine as of today or as of the war years, but is the policy to be that of keeping the merchant marine up to date? If so, in what way is that policy to be worked out?

Another important consideration is whether the government or the commission is assuming any responsibility for where our ships are to be built. That, I think, is important. I am not sure of this, but I believe the United States maritime commission has some power in that regard. In any event, the suggestion has been made that the Canadian maritime commission is to be put in a position to see

that shipbuilding is carried on in certain parts of Canada. I believe the situation in Canada is this. On the Pacific coast some shipbuilding is going on, which we hope will be continued and expanded, but very little is going on in the maritimes. The hon. member for Royal (Mr. Brooks) says that no shipbuilding is going on there at the present time.

Mr. HOWE: Perhaps he has not been home lately.

Mr. GREEN: I would point out most earnestly that it is of vital importance that a shipbuilding industry be maintained and built up on the two coasts of Canada. It is a great tragedy that Nova Scotia, New Brunswick and Prince Edward Island were not continued as the great shipbuilding centres they were in the last century. They have the steel industry and the coal there and I suggest that now is the time to build up and increase the shipbuilding industry on our two coasts.

Mr. MITCHELL: What about Ontario and Quebec?

Mr. GREEN: Ontario and Quebec are usually well able to look after themselves.

Mr. MACKENZIE: Hear, hear.

Mr. GREEN: I am speaking now for the maritimes.

Mr. MITCHELL: I am talking about shipbuilding.

Mr. GREEN: I was speaking of British Columbia and the maritimes—Nova Scotia, New Brunswick and Prince Edward Island.

Mr. MACKENZIE: I am with you.

Mr. GREEN: I do not think the Minister of Labour is an expert on shipbuilding. He is on nearly everything else—

Mr. MITCHELL: I know as much about shipbuilding as my hon. friend does.

Mr. GREEN: —but I question his qualifications on this particular subject.

An hon. MEMBER: He was in the navy.

Mr. GREEN: He was in the navy twenty-five years ago and that gives him some authority.

Mr. MITCHELL: A pretty good navy too.

Mr. GREEN: Another question is this. What authority and what responsibility will the government or this maritime commission be assuming for directing traffic through Canadians ports instead of letting it go through United States ports? Mr. Bengough made a representation along that line when he spoke to the cabinet in March. He is quoted in this way:

> He also advocated establishment of a maritime commission with authority to divert traffic through Canadian ports, adjust rates, and generally to ensure that this traffic is moved for the benefit of the dominion generally.

By the way, that question of fixing rates is another important one. Is the maritime commission to have anything to do with rates? If it is to function along the lines suggested in my last series of questions I think it can be of great help to Canada. Probably it will be of help in any event, but we would greatly appreciate having the minister give us clarification on the different points I have raised.

Mr. HOWE: It seems to me that my hon. friend is asking for details of the bill. He asks what powers the bill contains. Surely that is material which should be left until the bill is before the house.

Mr. GREEN: I may point out that one great purpose of the resolution stage, from the point of view of parties in opposition, is that we can make suggestions which may then be incorporated in the bill. It is very helpful to us, and I suggest to the government that it would be well to have these questions asked and answered at this particular stage.

Mr. CHEVRIER: The object of the resolution is to discuss the principle.

Mr. GREEN: I hope the bill is not in such iron-clad form that suggestions made now by members of the committee are of no value.

Mr. SMITH (Calgary West): Does the Minister of Transport suggest that the statement of the Minister of Reconstruction dealt only with the priniciple of the bill? He started it.

Mr. CHEVRIER: I said no such thing. I said to the hon. gentleman that the object of discussing the resolution is to consider the principle, and that is a fact.

Mr. SMITH (Calgary West): I merely asked whether the hon. gentleman thought the statement of the Minister of Reconstruction followed his formula.

Mr. CHEVRIER: The hon. member heard what I had to say.

Mr. HOWE: If I may continue, the statement I made did not discuss details of the bill. It discussed the background, showing the necessity for a maritime commission, which I understand, is the purpose of the resolution. If the committee agrees that a maritime commission

is necessary and desirable it will certainly pass the resolution and discuss the details of the bill when it has the bill in hand.

Mr. GREEN: We are entitled to know what the commission is to do.

Mr. HOWE: It is to advise the Minister of Transport on matters affecting shipping and shipbuilding.

Mr. GREEN: We are entitled to more details than that.

Mr. HOWE: I suggested that I make my speech when the bill was before the house. Then we could have discussed the bill. In the meantime we are discussing the principle. The question may be asked as to why the bill is being introduced by the Minister of Reconstruction. The reason is that the Park Steamship Company which is at present under the jurisdiction of the Minister of Reconstruction, is carrying out many of the functions which will be those of the maritime commission after it is formed. In other words, it will be looking after the government's interests in the former Park fleet which has now been transferred to private interests.

The question was asked as to whether the maritime commission will deal with harbours. That matter would, of course, not fall within its jurisdiction. The maritime commission will merely look after ships and all matters affecting ships, but the matter of harbours for ships will be handled separately by the national harbours board, as at present.

It is the intention that the Minister of Transport will transfer to the maritime commission from time to time certain functions which are now being performed by other officers of the minister. It is the intention that the maritime commission will administer all subsidies. It is the intention that all matters affecting shipping will gradually be coordinated through the maritime commission. My hon. friend has suggested that the maritime commission should allocate shipbuilding.

Mr. GREEN: I did not suggest it. I asked if it was the intention that it should.

Mr. HOWE: Well, what does my hon. friend think? Why did he ask the question?

Mr. GREEN: I thought I was asking somebody who knew.

Mr. HOWE: I think I know the answer. It is a strange question for an advocate of private enterprise to ask. The shipyards are owned by private enterprise and the ships are owned by private enterprise. I assume that the private enterpriser who wishes to build a ship will build it where he pleases. I also presume that, unless the yards are operated efficiently and competitively, they will in time go out of the shipbuilding business. It will be the efficient yards which will survive over the years.

My hon. friend has suggested that the work is unevenly distributed at the moment. That is not correct.

Mr. GREEN: I did not hear that.

Mr. HOWE: I said that it has been suggested that certain yards have work and certain other yards have no work. The fact of the matter is that every major shipyard in Canada has all the work which it can do for the next twelve or eighteen months, which is a situation that I hope the maritime commission will be able to maintain over the years as the department of reconstruction has been able to maintain it over the past five or six years.

Mr. BROOKS: Is that true of the shipyards in the maritime provinces?

Mr. HOWE: Yes, that is true of the shipyards in the maritime provinces?

Mr. BROOKS: Are not many men being laid off in the Halifax shipyards?

Mr. HOWE: No. They are being laid off in the naval dockyard, not at the shipyard. I am glad to give my hon. friend that information, because I should like to set him right on that point.

Mr. BROOKS: I am glad to get that information.

Mr. HAZEN: Can the minister give a little more information about that? I think he said there were 122 ships being built at the present time and 16,000 men employed. Of that number, can he tell us how many ships are being built in New Brunswick and how many are being built in Nova Scotia; how many men are being employed in shipbuilding in New Brunswick and how many are being employed in shipbuilding in Nova Scotia?

Mr. HOWE: Living as he does in Saint John where the only major New Brunswick shipyard is located, my hon. friend should be able to tell me that. I cannot tell him offhand. I can tell him how many ships are being built in Port Arthur, which is in my own constituency, and I presume that the hon. member for Vancouver South could tell me how many are being built in Vancouver.

Mr. JACKMAN: But you are the responsible minister.

Mr. HAZEN: The minister gave the total number of ships and the total number of men employed, and I thought he would be able to break that down from the information he has.

Mr. HOWE: I will try to give that information when the bill is being discussed. Is there any question I have left unanswered?

Mr. GREEN: I also asked whether the commission would have anything to do with the number of vessels in the merchant marine or the types of vessel, also whether the functions of the commission were to be purely advisory or whether they were to be operational.

Mr. HOWE: The functions of the commission will be as determined by the bill when it is passed by the Minister of Transport. The Minister of Transport will assign such duties to it as he may deem desirable. Certainly one duty of the commission will be to take over the functions which are now being exercised by the Park Steamship Company in the management of Canada's wartime merchant fleet.

Mr. GREEN: Those ships will all have gone out to private industry.

Mr. HOWE: In a short time; over the next two or three years. As I say, this is a commission under the minister. The minister assigns to it such duties as he may wish to from time to time. I assume that its duties will be both advisory and operational. Certainly it will be its duty to watch Canada's merchant marine in the best interests of the government, to advise the minister when changes in policy may be required from time to time, to recommend such incentives as may be needed to induce private industry to build a different type of ship or to modernize its fleet; and certainly it will be the function of the commission to advise the minister of any steps that should be taken to stimulate shipbuilding in Canada and make it competitive with shipbuilding in other countries. Surely my hon. friend does not wish me to tell him any more about the bill at this stage.

Mr. GREEN: Yes, I have one more question. Is it government policy to subsidize shipbuilding in Canada?

Mr. HOWE: No, not at present.

Mr. CARDIFF: Is it a fair question to ask how many men will be appointed to this commission?

Mr. HOWE: That is a matter of detail in the bill. My hon. friend may be advised that the bill provides for three.

Mr. FLEMING: I should like to ask the minister a question which bears directly on the resolution, which reads in part:

Resolved, that it is expedient to present a bill to establish a corporation to be known as the Canadian maritime commission—

The statement made by the minister this evening does not at all enlarge on the corporate aspect of the commission. What has been said by the minister would be perfectly consonant with a commission which has not a corporate character. Will the minister enlarge on that for the information of the committee?

Mr. HOWE: The corporate character of this commission is exactly parallel to that of the national harbours board. It is formed as a corporation so that it may own property. In other words, at the moment the government owns some ninety ships, eighty of which are on lease to the ministry of transport of the United Kingdom, and about ten are on long-term charters to various Canadian enterprises. These ships will be transferred to the maritime commission. If, in future, it is required to undertake shipbuilding for government account the corporate character will be desirable as an efficient method of doing business.

Mr. ARCHIBALD: I was interested in the remarks of the Minister of Reconstruction and Supply when he said the shipyards in Canada had all the work they could handle for the next eighteen months. Well, certainly nobody is getting nervous from the rattle of rivetting guns in Prince Rupert at the present time. I would like to see eighteen months of work ahead of them at the present time, in that city, and if he could attend to it I would appreciate it.

I look forward to the formation of this maritime commission, but I should like to know if it will administer all the various points that cover seamen who come under all the various departments. Last year I spoke about the conditions of seamen, and when I got on one angle of it I was referred to this minister and on another angle to another minister. Will all the points come under this commission, so that we may know where we stand, as far as seamen and their conditions of work are concerned?

Before this commission is set up, I should like to see the matter put in the hands of a committee, and have the Canada Shipping Act thrown in along with it, so that we can have a really all-round policy formulated.

When the Canada Shipping Act was reviewed, in 1935 I believe it was, both the present Minister of Veterans Affairs and the

Minister of Labour objected to the speed at which it went through. I should like to see more time spent on it in a committee as we will be doing with the national labour code which, we understand, is to come before the house shortly. The formulation of an all-round maritime policy should be done likewise. The interested parties should be before us.

I hold in my hand a brief from the Canadian shipbuilding and ship repairing association. Some of the headings are most interesting. For instance, they recommend "that Canadian shipbuilding and shipping policies should be controlled through one responsible government authority, and that Canadian shipbuilders be invited to nominate a representative to all government-appointed committees dealing with questions relating to marine transportation". We do not know the individuals who will comprise the commission, but I should like to see labour represented on it.

I wish to go through one or two of the points which are bothering the seamen at the present time. They would like to see the abolition of the advance note system, and the substitution of slopchests on Canadian vessels. They would like to see a definite ruling on cash draws made by seamen on wages due when in port, similar to the practice in the United States. They would like to see crew accommodations on shipboard similar to those of the United States. Then, they recommend the abolition of shipping fees extorted from seamen for signing on and off ships articles of agreement. They would like to see watches, hours of labour, legal holidays and provision for the eight hour day, the same as obtain in the United States. With respect to sick mariners they would like to see a complete revision of section 308 of the Canada Shipping Act which covers sick mariners, and the coverage of all seamen regardless of whether their vessel sails foreign or coastwise. They would like to see a manning scale, under which there would be a declaration of the government on the question of manning scales for all vessels, and requirements, qualifications and regulations as to crews, certificate of service as able seaman, and penalties for undermanning.

At the present time, on the coast for example, a company can hire some stubble jumper and put him on board. He does not know anything about the work at all. One or two might have a lifeboat certificate, but they might be down in the stokehold. Then, if a boat hits a reef those with experience would be valueless below deck and the deck crew helpless because of lack of experience.

The DEPUTY CHAIRMAN: Order.

Mr. ARCHIBALD: I have been in one or two panics like that, and I would not want to see any more. I should also like to see duplicate certificates of discharge, to be issued free of charge when originals are lost through shipwreck.

The DEPUTY CHAIRMAN: I would call the hon. member's attention to the fact that he is not dealing with the resolution before the committee.

Mr. SMITH (Calgary West): What is a stubble jumper?

Mr. ARCHIBALD: You should know.

Mr. SMITH (Calgary West): Is that the same as a sod buster?

Mr. ARCHIBALD: Along the same lines.

Mr. GREEN: On the point of order, may I point out that only a few minutes ago the minister himself said that this maritime commission is to carry out all the functions now being exercised by the Department of Transport.

Mr. HOWE: No.

Mr. GREEN: With regard to shipping. All the points raised by the hon. member for Skeena are in that category. I submit that he is in order.

Mr. GARDINER: A stubble jumper is a C.C.F. name for a farmer.

Mr. HOWE: The hon. member is discussing the Canada Shipping Act.

The DEPUTY CHAIRMAN: The hon. member is discussing the Canada Shipping Act, which has nothing to do with the resolution before the committee.

Mr. GREEN: Yes, it has. This new commission is to take over certain of the administrative work under the Canada Shipping Act.

The DEPUTY CHAIRMAN: In dealing with a resolution of this kind, the committee can deal only with the principle involved, as to whether or not a commission is to be set up, and what the functions of that commission should be. I believe the hon. member is dealing with something with which, in all probability, this commission will have nothing to do.

Mr. GREEN: On the point of order, in his statement the Minister of Reconstruction

and Supply referred to the Canada Shipping Act and its administration. And the statement goes on to intimate that the maritime commission will take over that work.

Mr. HOWE: What did I say? Quote the words.

Mr. GREEN: These are the words:

Before the second world war, the normal government supervision (common to all countries) of our privately-owned merchant fleet was carried out by the Minister of Transport, who is responsible for the administration of the Canada Shipping Act, 1934.

Then he goes on to deal with the Department of Trade and Commerce, which administers steamship subventions; then, with the Canadian shipping board, the transport controller and the director of merchant seamen. My understanding is that these functions are now to be taken over by the Canadian maritime commission.

Mr. MACKENZIE: He did not say that.

The DEPUTY CHAIRMAN: I should like to see the committee support the Chair sometimes in trying to conduct business in an orderly fashion. I have spent a good deal of time in looking over debates involving problems such as this which have been dealt with by chairmen of committees. I have looked into what happened during the first period of time I was here, when Mr. Bennett headed the government. I find that the same rulings were given by chairmen at that time, and that on many occasions hon. members who then sat in opposition were taking the same position as the hon. member for Vancouver South now takes.

After all, a chairman must assume responsibility and give direction to the committee. I believe the committee will make better progress if it tries to support the Chair. I want to be fair to all. But at the same time there are rules by which we should be governed.

Mr. FLEMING: May I say a word—and I do so only to assist the Chair, as I conceive it my duty to do. There is one sentence which might have been read from the minister's statement where it deals with merchant shipping. After reviewing the activities of various government agencies, some of which were mentioned by the hon. member for Vancouver South, he proceeded to discuss the functions of the proposed maritime commission in this way:

It should be one of the duties of the proposed organization to keep those needs continually under review and to advise the government upon the general Canadian merchant shipping and shipbuilding situation.

I call special attention to the words "general Canadian merchant shipping and shipbuilding situation".

Mr. MACKENZIE: Question.

Mr. GREEN: Don't be in a hurry.

Mr. ARCHIBALD: I had the floor, until someone else jumped up and took it. I did not ask for any help, and I was not fighting with the Chairman. I accept his ruling. The minister did deal at length with the Park Steamship Company. He did not, however, tell about the wages they paid during the war —and they were not so hot. I have brought up the question at this time because I thought I was being constructive. The resolution, as it reads, deals with certain duties, functions and powers. But one has to be a bit of a mind reader to find out what those principles are. If you inject something constructive into it it would be worth while.

I would point out, however, that I should like to see this go to a committee of the house where it would be threshed out, and from which might come an all-round shipping policy which would be suitable both to the shipping companies and to labour. It is apt to be too one-sided and we should try to bring peace into an industry which has not been in too steady a state for a number of years.

Mr. BLACKMORE: The resolution and the minister's comments on it are, I think, both highly commendable at the present time. I was particularly pleased when the minister said:

. . . that merchant ships should be operated in peace time by private enterprise and that all government machinery dealing with merchant shipping should be coordinated.

I agree fully with that. I liked also this statement of the minister:

We spent a total of $626·9 million on the construction of these fleets for war purposes.

And also the statement:

Therefore, whether we like it or not, we are now in the merchant shipping business in a big way. Not only that, but we also have a big shipbuilding potential in this country.

Those were good things to say. The minister further said:

I suggest that the government can look with some satisfaction upon its shipbuilding, ship operating and ship disposal policies during the past several years. I think those policies have been thoroughly justified.

Then the minister said:

We now find ourselves in a world where all governments are interested in the maintenance of the merchant fleets owned in their respective countries.

The minister indicates there what I consider a most commendable attitude toward the responsibility of Canada in connection with the defence of freedom in the world in the days to come. I wish to congratulate him upon that statement. Then he went on to say:

> We do feel, however, that a merchant navy adequate to our needs should be retained. It should be one of the duties of the proposed organization to keep those needs continually under review and to advise the government upon the general Canadian merchant shipping and shipbuilding situation.

And again:

> Inseparably related to the merchant navy is the shipbuilding and repairing industry, which must also be taken into full account. Finally . . . as a result of our war effort, we have established in this country merchant shipping and shipbuilding industries of considerable size.

While the war was on, I had the privilege of travelling around a little bit in connection with the work of the war expenditures committee; I was greatly impressed with the size and quality of the shipbuilding industry which had been established in this country. I was genuinely proud; I felt much more happy to be a Canadian after seeing what we were able to do in Canada.

Finally, the minister said:

> The continuation, development, prosperity, and welfare of these enterprises is of national importance, both economically and strategically, and it is for this reason that I move the resolution now before the house.

Those words find a responsive chord in my being; I am glad the minister used them. While it is said to be poor politics for a member of the opposition to congratulate the government upon what they have done, I do not look at the functions of the opposition in that way. I believe that in a democracy when people do a good job everybody should recognize it as a good job and say so frankly. I think in the past war the minister and his colleagues had a tremendous responsibility and I believe they discharged that responsibility well. I think they deserve commendation and I am ready to give my little quota toward rewarding them. I wish to congratulate the minister upon his achievements in the past and upon his attitude toward the future. I want to say also that I believe this setting up of a maritime commission is a right step at the present time. It inidicates that the same skilful and far-seeing mind that guided our work in this respect during the war is still in charge.

I know I do not need to suggest to the minister that there are enormous problems ahead, probably quite comparable with those which he has solved in the past. The cost of the suitable measures which will have to be taken in order to attain the objectives which the minister's words clearly indicate he envisages will be a tremendous item for consideration. I hope the house and the country will be ready to support the minister with the financial means he will require.

I should like to express some doubt that he will be able to acomplish all the things which he has envisaged under the present financial system. I do not wish to go into any considerable discussion on that matter because I would be quite out of order at the present time, but I believe that sooner or later we shall have to face up to the fact, and we must adopt a realistic financial system if we are to attain the wide objectives which must be attained in the days immediately ahead. I just throw out that suggestion to the minister so that he may keep it in mind should he have any spare moments in which to consider such matters.

In closing, I should like to urge the minister that he go forward with the vision and energy and effectiveness which have characterized his efforts during the war. Further, I urge him that if he should find himself hampered by the present financial system he should not hesitate to advocate that such changes be made in that system as will enable him to serve Canada first, and not the financial system first.

Mr. JACKMAN: Mr. Chairman, I shall not trespass upon the rules of the house by attempting to discuss the details of a bill which I have not seen, but it does seem to me that the minister's remarks were largely of an historical character and contained very little about the principles which we might expect to be contained in a bill having to do with the setting up of a maritime commission. What we learned from his remarks was a history of shipping and shipbuilding in Canada and that we are now in the business in a big way, whether we like it or not. Then he said that we must reorganize our shipping administration. I failed to learn very much, either from the document which he circulated or the speech which he made, about the principles to be contained in the bill to be presented to this house.

The minister did say that the merchant navy of Canada under Canadian registry should be adequate to our needs. The word "adequate" is capable of broad and differing interpretations. Before the resolution is carried, I think we should have more enlightenment as to what the minister means by the words "adequate to our needs." It has been the habit in the past for Canada to have a great deal of her foreign trade carried by bottoms of other countries, and in that way those countries were able to pay for the wheat

and other natural and manufactured products which they purchased from Canada.

I come now to a matter of deep principle and concern which I think the minister should have touched upon. I find that the United States maritime commission is made up of five members, and their act contains a provision that not more than three of those members shall be from the same political party. I hope that that comment will rise to the level of a principle in this bill in the eyes of the minister. How long is the term of these commissioners to be? In the United States the terms are staggered. From the inception of the committee the terms were two, three, four, five and six years, and upon retirement of a member the new member is elected for a period of six years. Then the minister has said nothing as to what this commission is to do. Is it to run our ocean services and supervise rates and so on? Is it to deal exclusively with foreign shipping, or is it to deal also with domestic shipping or shipping which is partly domestic and partly foreign?

The minister mentioned that there would be subsidies or the possibility of subsidies in connection with shipbuilding in this country. May I ask him if there will also be operational subsidies as well as construction subsidies?

Mr. HOWE: Will my hon. friend quote the passage where I said there would be construction subsidies?

Mr. JACKMAN: I gathered from the minister's general remarks that there would be subsidies, but if he indicates to me I was mistaken I shall be glad to withdraw. Shipbuilding, however, is generally conceded to be much more expensive in Canada. If I recall correctly, the cost of the destroyers we built was almost three times as much as in Great Britain, and it is a natural assumption that shipbuilding may cost more in this country. If that is not so I am sure the country will be happy to hear it. Perhaps the minister will explain how private owners of shipping lines will be able to purchase ships built in Canada as cheaply as they can purchase them in Great Britain or in other countries.

Will there be a provision in the bill for the acquisition by the maritime commission of obsolete vessels? In the United States maritime commission act there is a provision whereby vessels seventeen years of age or over which have become obsolete will be taken over by the commission and funds are made available for ship-owning lines to acquire new ships built in that country.

The minister did not mention anything about insurance. It may be a question of principle whether the government intends to embark on that very large and important aspect of the shipping trade, as has been done in the United States.

I think it would also be most useful to the committee to learn something about the intergovernmental maritime consultative council which the minister mentioned in his remarks. Has it been set up, or is it likely to be set up soon, and what is expected of it?

Is it the intention under this bill to have a reserve fleet set up, which would be of great assistance in the event of another war? I might quote from an article in the *Yale Review,* which says:

> The strategic importance of merchant shipping has long been known and ably expressed by many writers from the time of Rear Admiral Mahan on. Admiral Nimitz has recently stated: "This war has fully confirmed the necessity for a strong and sound merchant marine in time of peace so that it may be employed as an auxiliary of the army and navy in time of war."

Other authorities are quoted in the same article. We heard so frequently during the war, as you will recall, Mr. Chairman, of an eastern Canadian port not named but which we all knew to be Halifax. That port found itself of great use in the first world war and of inestimable value in the second world war, but in between those two wars it became a Cinderella so far as governmental activity and shipbuilding was concerned. If the government does contemplate establishing a reserve fleet and perhaps reserve shipbuilding facilities I would urge that Halifax be made the centre of that activity because of its proximity to the European continent and also because it was the base for ships which left Canada for the old country and carried cargoes through the North sea to the Archangel route. It is a port which should be greatly strengthened from both its strategic value and its natural shipbuilding advantages. Would the minister be kind enough to answer some of the questions I have asked?

Mr. HOWE: My hon. friend asked a number of questions. Some of them had to do with details of the bill. The purpose of the maritime commission is to watch the interests of Canada and Canadians in shipping and to recommend such adjustments in policy to the minister as may make for the best use of a Canadian fleet for the benefit of Canada.

My hon. friend asked if we are to have a reserve fleet. All the boats we built during the war are now actively engaged in commerce and as long as they are required in commerce I presume they will be active. If they are not required in commerce it will, I presume, be the function of the commission to advise

the government on questions such as setting up a reserve fleet, but that is a matter of policy which will be decided in due course by the government of the day, with the advise of the maritime commission.

My hon. friend said that shipbuilding costs a great deal more in Canada than in other countries. Our yards seem to be having no great difficulty in competing with the world in building ships at the present time. They are building ships for Brazil, Holland, France and, if I am not mistaken, for Portugal, and I believe that there is a very good prospect that we may be building ships for Argentina. Our shipbuilding is wholly competitive and, all things taken into account, it operates at a lower cost than obtains in United States yards.

Mr. JACKMAN: Their yards are subsidized, are they not?

Mr. HOWE: I do not know. Ours are not. So far as the United Kingdom yards are concerned, they may be able to build ships cheaper than we can, but they are booked up for the next three or four years, and if anyone wants a ship he finds that Canadian yards suit his purpose very well. Whether in the future it will be sound government policy for Canada to subsidize certain shipping routes, as is now done with certain inland routes is a matter which the maritime commission will study, and upon which it will advise the government.

As to whether any policy should be devised to stimulate shipbuilding, that is a matter for study by the maritime commission and advice to the government of the day. The maritime commission should be wholly familiar with all the requirements of Canada's maritime fleet and familiar with the government's needs in shipping and shipbuilding. It should weigh the two and be in a position to give sound advice. It will be the one agency of government whose duty it will be to examine every detail of maritime matters, shipping, and shipbuilding and to keep itself fully informed on the situation in Canada and in other parts of the world, and be in a position to answer any question which the government may require to have answered.

Mr. JACKMAN: Would the minister amplify his statement, "We do feel, however, that a merchant navy adequate to our needs should be retained." Would he explain exactly what the government had in mind when he made that statement?

Mr. HOWE: That means adequate to our needs from time to time. I am not suggesting any policy; I am not in a position to do so. I would not suggest that we have a merchant navy sufficient to carry all our exports. I would suggest that we require a merchant navy able to carry a substantial part of our exports and to protect Canada's position in the matter of freight rates and other problems of carriage. Today we are the fourth maritime nation in the world, and when the boats now on British register are returned we shall probably be the third maritime nation in the world. Whether Canada in the future will require to maintain that position is a question for the maritime commission to study, so that it will be in a position to advise the government. Being a shipping and shipbuilding nation at the moment, it is important that we shall remain a shipping and shipbuilding nation.

Mr. GREEN: What about the intergovernmental maritime consultative organization?

Mr. HOWE: That is a conference of interested governments formed to consider establishing an intergovernmental maritime organization. It met first in London and then in Washington, and is meeting at the present time in one of the Scandinavian countries, I think Sweden. It is discussing the present and future position of shipping; whether the present tonnage afloat is sufficient to meet the requirements; and, in general, all matters affecting world shipping. As I understand the functions, they are wholly advisory. Canada has been represented at the meetings and intends to continue as a member of that body.

Mr. FRASER: In his statement the minister mentioned merchant seamen. I am wondering whether they come under the commission and, if the commission takes over, will parliament have a chance to discuss with the minister the different regulations in regard to the training of these merchant seamen? At present we have a school at St. Margaret's bay, and I imagine that that would come under this commission. Am I right in that?

Mr. HOWE: No.

Mr. CHEVRIER: The school at St. Margaret's bay is no longer in existence.

Mr. FRASER: When did it go out of existence?

Mr. CHEVRIER: Some months ago.

Mr. FRASER: We are not going to have a school any longer?

Mr. CHEVRIER: There were two training schools set up during the war, one at Prescott and one in Nova Scotia. Both have been closed down. They were established for the training of merchant seamen, engineers, stokers and so forth. Seamen are trained today in

schools. There is provision for this in Toronto and in Rimouski and in certain other parts of Canada.

Mr. FRASER: Will this commission have any control over that at all?

Mr. CHEVRIER: That is a question to be dealt with when the bill is before the committee.

Mr. FRASER: I do not know whether it is or not. That is something we want to know now.

Mr. CHEVRIER: I am submitting that it is.

Mr. FRASER: The minister mentioned merchant seamen in his statement. Parliament should have a chance to discuss the different regulations in regard to merchant seamen.

Mr. CHEVRIER: Parliament will have every chance of discussing anything that the commission has to do with reference to seamen when the bill is before the house.

Mr. FRASER: Under some of these other crown companies and boards that have been set up by parliament we find that we have no chance at all to discuss anything about them. We cannot find out much about them when we put questions on the order paper.

Mr. CHEVRIER: If my hon. friend was here when the discussion took place on the compensation for merchant seamen he was told under what headings and under what conditions the position with reference to merchant seamen could be discussed. I said that they could be discussed on at least two or three occasions. I do not want to anticipate what is in the bill, but I think there will be a further opportunity at that time.

Mr. FRASER: I think the minister will have to agree with me that quite often a minister has said that we could discuss a certain question at such and such a time, but when that time comes along we are politely told that we cannot. I wondered whether we could be put straight on this.

Mr. BAKER: Mr. Chairman—

Mr. FRASER: I should like an answer.

Mr. CHEVRIER: I have answered to the best of my ability every question that my hon. friend asked. I cannot go beyond that.

Mr. FRASER: Will this commission be responsible to parliament? Can we ask questions in regard to the commission when the Minister of Transport is before the committee?

Mr. CHEVRIER: The commission will be responsible to the minister. It is a corporate body which will be set up in the nature of the national harbours board. It will be a corporate body which can be sued and can sue. The actions of the body can be discussed from time to time.

Mr. FRASER: What jurisdiction has it over merchant seamen?

Mr. HOWE: At the present time merchant seamen are governed by the Canada Shipping Act and under the regulations of the Department of Labour. It may or may not be that at some future time the maritime commission may take over certain functions which are at present under these two jurisdictions. There is nothing in the legislation which specifies that the maritime commission will have direct charge of merchant seamen.

Mr. BAKER: I am sure that all shipping and seafaring men will be anxious to see what the bill contains. They will appreciate this resolution which establishes a corporation to be known as the Canadian maritime commission. We need to coordinate, correlate and consolidate all matters pertaining to merchant shipping. This is something which should have been done long ago, and I welcome this resolution. I am not going to speak at any length on it because I want to see what is in the bill. I wish to say that at one time the township of Yarmouth owned more shipping per capita than any other place in the world. At one time Canada was a country to be very much considered when it came to world shipping and I should like to see her in that position again. This is a step in the right direction without any question. I just wish to say that I heartily endorse the resolution.

Mr. McLURE: I have a question or two to ask on the principle of the bill, that is, if there is any principle in it. The resolution states that the Canadian maritime commission is:

> ... To exercise certain powers and perform certain duties and functions under the Canada Shipping Act, to administer any steamship subvention voted by parliament. . . .

Will all subsidies and subventions, which are one and the same thing, be under the control of the Canadian maritime commission?

Mr. HOWE: Yes.

Mr. McLURE: That will make for a lot less work for quite a few of the departments. For instance, all the subsidies paid by the Department of Public Works will come under the maritime commission?

Mr. HOWE: We do not refer to ferry boats as shipping.

Mr. HOMUTH: Some of them are not because they do not float.

Mr. McLURE: The sudsidies under the Department of Public Works which go to the ferries and the different boats are not classed as subsidies under shipping?

Mr. HOWE: Not the subsidies under the Public Works Act.

Mr. McLURE: Under Trade and Commerce?

Mr. HOWE: Yes.

Mr. McLURE: And under Transport?

Mr. HOWE: Yes.

Mr. McLURE: Here is a chance for the ministers in these departments to have a lot less work to do. These matters will all be administered under the Canadian maritime commission. I am not going to go into the details of this resolution, but I should like to know if all the subventions and subsidies which are to be expended by this commission will be put in the estimates and then handed over to the commission and the commission be not responsible to any minister.

Mr. HOWE: It will be responsible to the Minister of Transport.

Mr. McLURE: The Minister of Reconstruction mentioned some very large ship building plants in Canada, and I should like to ask him, if it is relevant to the resolution, to tell us where the largest privately owned shipyards in Canada are located.

The CHAIRMAN: That is not relevant to the resolution.

Mr. HOWE: My first impulse would be to say Canadian Vickers in Montreal, but I am not sure.

Mr. McLURE: I have nothing more to say at the present time, but when the bill is before us we may get some information with regard to subsidies.

Mr. GREEN: The minister has not answered certain questions I asked. First, will the commission have anything to do with rates? Second, will the commission have power to direct traffic through Canadian ports?

Mr. HOWE: Ocean rates, I should judge, are fixed by competition. The maritime commission might fix rates and find that the ships could not operate under them. The answer is that ocean-going rates will not be fixed by the maritime commission. As far as inland rates go, adjudication is the function of the board of transport commissioners.

Mr. GREEN: What about the question of directing traffic through Canadian ports? Will the commission have power in that regard?

Mr. HOWE: No. The shipbuilding industry is a private industry and I presume ships will go where the traffic offers. Usually it is traffic that attracts ships and not vice versa.

Mr. POULIOT: I have just a few observations to make on this resolution. Last year I supported the proposal for a Canadian maritime commission and I was not alone; I had the support of the late member for Halifax. Now it is the intention of the government to increase the powers of that commission by placing all steamships subsidies voted by parliament under the administration of the commission. Those subsidies were granted by the Department of Trade and Commerce and I desire to pay tribute to Mr. F. E. Bawden, who has retired but had been there for a long time. He was very helpful to members of parliament whenever they needed his assistance in establishing the amount of the subsidy.

I believe, sir, that all subsidies should be under the control or administration, not of a commission, but of a competent civil servant responsible to the minister, who, in turn, should be responsible to the house. Perhaps I am old-fashioned. Perhaps I am too old a member of parliament to be sufficiently streamlined in my views, but that is my conception of parliamentary responsibility. I am strongly opposed to any commission that will dispose of moneys voted by parliament. The minister is responsible to the house, and the minister never had any trouble about subsidies. Sometimes there was a little discussion but everything was in order, and while members of the opposition looked at the estimates through magnifying glasses they found no scandal. Some subsidies were given to large companies like the Canadian Pacific Railway Company; others were given to maritime companies that were doing excellent service.

This proposal with regard to the commission is one step further in increasing bureaucracy. I may be wrong, but this is a matter of principle with me. I do not know those who are in charge of subsidies at the present time, not

in the Department of Reconstruction and Supply, but in the Department of Trade and Commerce. They may be competent, but if they are not competent the minister should replace them with competent people. No one will convince me that there are no civil servants who can do the work. I would suggest to the minister that he amend the resolution and replace the commission with the same men he has in view for administering the service, but no commission. That is the first point.

The second point is this:

Provision is made further for the advisory functions of the commission, for the employment of professional and technical advisers and assistants and the remuneration thereof—

Oh, the remuneration thereof. That is important. It goes with technicality and profession.

—and for all expenses under the act to be paid out of moneys appropriated by parliament for the purpose.

What the department needs in this regard is not so much professional men and technicians as plain common-sense men with experience. The trouble in all departments at present—and I waited for an occasion to say this—is that there are too many technicians and too many professional men. Most civil servants do not want to start at the bottom and go up quietly, learning from experience every year. They come out of universities as geniuses ready to govern the whole world, and they are too bright and clever for our time. They give the cold shoulder to those who have been there for a long time, who know their business, who have experience, and who are not so competent because they have not so many letters after their names.

Mr. MacNICOL: The hon. gentleman is perfectly right.

Mr. POULIOT: Thank you. In other times, what was needed of civil servants was intelligence, common sense and a good high school education and they were ready to learn. Now they do not want to learn. They are ready to teach, and that is the trouble, and they teach us a great lesson, the lesson of incompetence. I remember, in the old times when Jim Malcolm was Minister of Trade and Commerce, there was a small company organized at Rivière du Loop to operate a ferry service between Rivière du Loup, Tadoussac and St. Simeon, which is one of the finest services of the kind in Canada. In those days the thing to do was to see the minister, and if he felt that the service was needed he told us to go and see Mr. F. E. Bawden, who was a nice old gentleman with experience. He would tell us what were the requirements for passengers and traffic and what the department could do. He had experience and everything was done in a familiar way. Nothing was said against him in former times, because he was doing his work very well.

I do not criticize those who are in charge now; I do not know them. I simply say that the old practice was an excellent one. There is something much more important about the Canadian maritime commission, and that is that, in the first place, we should have a Canadian merchant marine. We had a big navy during the war. Very well. Now that we are in the post-war period, we need a big merchant marine, and last session I made suggestions accordingly to the railway and shipping committee when I inquired about Park Steamships.

The Minister of Reconstruction and Supply and the Minister of Transport are two of the best and most active ministers in the cabinet. I may say the same thing about another one who will be closely related to them under this legislation, namely, the Minister of Trade and Commerce; and this is not to depreciate the other ministers. I speak of one thing, the Canadian maritime commission. I believe that we should have kept all the ships we had during the war, and that Canada should have her own bottoms for shipping Canadian goods throughout the world. Why should we be dependent on any other country for that? I have been told, although I am not sure about it, that the Greek firm of Goulandris offered to buy quite a number of Canadian ships, and they are waiting for a short time longer to put the Greek flag on those ships. I wonder if that is true. I should like to have some information about that.

At the present time, ships are just as precious to the country as are railways or aeroplanes. We appreciate the new methods of transportation. Everything is being modernized. Nevertheless, ships will always have their place in trade. That is why I cannot say otherwise—though without any undue spirit of criticism—than that there is no need for a Canadian maritime commission at the present time, if this commission is to do part of the work actually done by the Department of Trade and Commerce. I am warning the government about the new trend toward getting so much technical advice in trade. Trade is done by a buyer and a purchaser, and Canadian tradesmen who ship their goods by water or by air and who may require information, get it mostly from the bureau of statistics, although they may get some information from those who have been in the depart-

ment for a long time. The dealings of trade must be carried on by two people or by two companies, the seller and the buyer. Nothing can be changed about that. That principle cannot be streamlined. When there is a third party, it causes embarrassment to the other two. This is no criticism; it is a warning.

I believe that trade is the lifeblood of this country and we cannot play with it. We must keep the largest possible number of ships. We should build ships for Canada instead of building them for any other country or selling our own ships. I remember that in 1937, on the eve of the war, I went to England and visited the Clyde. What was I told by Scottish and English shippers? I was told that the maritime trade of England had gone down precisely because England had built too many ships for foreign countries. This is a warning. At the time I remember that the newspapers of Edinburgh and Glasgow were repeating the same thing constantly. What I say now is what I read then. It seems to me that it does not serve any purpose to recall facts which are positively true and it does not serve any purpose either to recall the experience of other countries. If Great Britain had built ships for herself instead of building them for other countries, her position in world trade would have been much better on the eve of the war and Germany could not have controlled the trade of many other countries.

I will just leave it at that, and I warn the minister seriously about this problem which I consider to be of the utmost importance, the problem of Canada having the largest possible number of ships, selling Canadian ships to no one except a Canadian and having Canadian ships registered in Canada. Why does the Canadian Pacific Railway Company register ships in London and elsewhere? Why does it not register its ships in Canada? What is the use of having our own legislation about shipping if it is not taken advantage of by the biggest shipping company in the country and which calls itself a Canadian company? It is for the protection of our own trade and for the protection of the Canadian people that I am so emphatic about this. I do not want the Canadian maritime commission. I do not believe in it. I want the control of shipping under parliament. That is all I want.

Mr. HERRIDGE: I have been trying to catch your eye, Mr. Chairman, for about twenty minutes. I desire to ask the minister a question or two. For about fifty years there has been a passenger and cargo steamer service on the inland lakes of British Columbia, some ships carrying passengers and cargo and some carrying cargo only. Throughout the years, organizations representing farmers, commercial and business interests, have urged that those steamers be brought under the board of railway commissioners and, more recently, under the board of transport commissioners, but so far without success. My understanding is that the board of transport commissioners at the present time have control of passenger rates and freight tariffs but do not have any control over schedules or services given on those inland lakes, with respect to either passenger or freight service. That has been a great handicap to producers in that district for many years, because many of them depend on the steamer service for getting their produce to market. Even last year carloads of apples were taken down the Arrow lakes on a barge pulled by a tug supplied by the Canadian Pacific Railway Company, after the weather was nearly at zero. Hundreds of tons of baled hay stood in the open on the wharves, because the accommodation supplied by the small barge, taking one carload on it at a time and making two or three trips a week, simply could not handle the product in the time required. I myself saw a whole carload of hay standing on the wharf and it had been there for nearly three weeks waiting for transportation. In view of the fact that this resolution says:

> That it is expedient to present a bill to establish a corporation to be known as the Canadian maritime commission to exercise certain powers and perform certain duties and functions under the Canada Shipping Act, to administer any steamship subvention voted by parliament, and to exercise powers or perform duties and functions under any other act or order of the governor in council.

I wish to ask the minister this question. At the present time I understand the postal department pays a subsidy to the Canadian Pacific Railway Company for carrying the mails on these lakes. In view of the fact that through the years it has been impossible to get these steamers brought under the board of railway commissioners, or more recently, the board of transport commissioners, will these steamers be brought under the control of the maritime commission, in view of the terms of the resolution?

Mr. CHEVRIER: I presume that, in order to answer the hon. gentleman, one would have to have the bill before him. However I can tell him that the resolution, in its present wording, would not cover a position such as the one to which he refers. The Transport Act was amended last year in order to do that. While I am not familiar with the locality he has in mind and cannot answer

the question which he asks, I can say that it is not the purpose of this resolution to deal with that situation.

Mr. HERRIDGE: Thank you.

Mr. CARDIFF: If it is not out of order, I should like to ask the minister whether the three commissioners are to be full-time men or just part-time men. How are they to be chosen? For instance, is a labour man to be chosen, one with experience in shipbuilding; or will one be chosen from the Pacific coast, one from the Atlantic coast and one from central Canada.

Mr. HOWE: There is no provision in the bill specifying how the commission will be appointed. There will be three full-time commissioners, and they will be appointed by the governor in council. But what system the government may adopt, if any, will be determined by the government.

Resolution reported, read the second time and concurred in. Mr. Howe thereupon moved for leave to introduce Bill No. 336, to establish the Canadian maritime commission.

SUPPLY

The house in committee of supply, Mr. Macdonald (Brantford City) in the Chair.

DEPARTMENT OF AGRICULTURE

Marketing service—

23. Marketing service administration, $122,749.

Mr. CAMPBELL: Mr. Chairman, the North Battleford agricultural society held a fat-stock show and sale in May of this year. Some of that beef found its way here to the city of Ottawa. I saw an advertisement in one of the local papers advertising the North Battleford beef. I went to the store which had advertised, and said I wanted to get some good beefsteak. When I asked for that North Battleford beef I was shown a piece of beef which certainly was not of choice quality. I protested and said I did not think that could be show beef, whereupon the manager of the store, hearing the discussion, came along, went to the cooler and brought out a piece of choice beef.

I bring this matter up because I believe, when these meats are offered for sale in butcher shops, and held out as show beef, there should be some means of identification for the protection of the buyer and that of the producer. Has the minister or his department any means of identifying beef by marking, or in some other way, for the protection of the consumer and the producer?

Right Hon. J. G. GARDINER (Minister of Agriculture): So far as I know, there is no practical way of checking that, except in the way it was checked by the hon. member. When he saw an advertisement and went in to buy a certain thing, he saw that he got it. Apparently that is what the hon. member did in this case. Stores do advertise things for sale, and do sell other things. If one goes in and asks for beef he is likely to get only beef; but if he says he wants a particular kind he will probably get that kind. So far as I know, there is no other protection.

Mr. CAMPBELL: Then there is nothing to stop a butcher from buying one carcass of choice beef and then selling perhaps ten or fifteen carcasses. There would seem to be no great difficulty to have some way of branding beef as a special type. The butcher will charge nine or ten cents a pound more for the choice beef, and I should think it would be simple to identify it from the time it leaves the farm until it is sold to the customer.

Mr. BLACKMORE: I should like to say a word on this item. I believe when it was last considered there was a good deal of discussion concerning beef. The people in my constituency are not at all satisfied with respect to the situation in connection with beef, and are greatly concerned about the loss of the United States market. They envisage a time when we shall be left without that market, and when the beef situation will deteriorate seriously.

I do not propose to enter into a detailed discussion on this matter, because I understand the whole question was taken up in considerable detail the other day. The minister assured the house that he was taking care of the United States meat market, and that it will be there for us when the time comes that we have taken care of Britain's needs. I understand that assurance was given by the minister. I appreciate it, and congratulate him upon it. I hope he will be strong enough in the cabinet and in the country to see that that assurance is made good.

Meanwhile the people who produce beef in my constituency have told me they consider that the minister should take steps to increase meat production in Canada, which they believe he could do to the point where we could take care of Britain's needs and also provide a surplus to hold the United States market. The people in my constituency say that it is just a matter of price; that if the price of beef is taken care of the production will increase to a point sufficient to supply all the needs.

The minister may feel he has done all he can up to the present time to increase beef production. The best informed men in my

constituency do not believe that is so. I do not attempt to speak with authority in the matter, although those closely connected with me are engaged in the production of beef and probably know a good deal about it. Men in my constituency who, I am sure, do know, are satisfied that if the minister changed his policy in connection with beef we could supply Great Britain's needs, and also the United States market.

I now turn to the matter of hog production. Again the people in my constituency who produce hogs are dissatisfied with the situation. Mine is one of the major hog producing constituencies. When the minister had a suitable price for hog production during the war we saw hogs in all directions in my constituency, but now one has to look many miles to see any hogs. Men who have allowed their hog producing facilities to fall off are hard-headed and practical men, men who know whether or not money can be made in the production of hogs; men who know when the hog situation is precarious and when it is stable. These men have gone out of the production of hogs for purely business reasons.

I do not propose to try to suggest to the minister the details of what is necessary; but once more the difficulty arises, according to what they tell me, from the fact that the prices they have to pay for the things which enter into the production of hogs and the prices they get for the finished hog show unsuitable relationship. Then there is the fact that the income tax collector takes away a considerable amount of what is gained through the production of hogs. When those three items are considered they say it simply is not worth while to produce hogs.

They point also to the fact that there is a lack of stability in the hog situation; that there is no assurance that the price of hogs will not suddenly go out just when they have sows and other facilities to produce hogs in considerable supply. Therefore they will be the loser or, to use a common expression, they will be left holding the bag. I am not criticizing the minister and I want him to understand that fully. I do not want to be harsh about the matter at all, because I realize that the minister is not master in his own department; that at times he must defer to the opinions of other men in the cabinet; that sometimes those men do not know nearly as much about agriculture as they ought to know.

I just want to say this in strengthening the minister's hands in striking out for a better situation with regard to hog production. Men in my constituency are not by any means satisfied with the set-up with regard to hogs and if that set-up were made right, if the prices of the things which they have to feed to hogs and the price which they get after the hogs are shipped were right and if they were given a reasonable assurance that the income tax collectors would not come around and steal a large percentage of what they had gained by their hard efforts, the minister would have a tremendous production of hogs in my constituency. I believe that would apply generally to all constituencies in western Canada.

I notice, in reading over *Hansard,* that the minister has said that there just is not the feed available. Perhaps there is not the feed available at this time, but I would say that the men in my constituency and in other western constituencies with whom I have talked are of the opinion that the minister could get the feed if he just had a free hand in connection with the conditions under which that feed could be produced. Once more price is an important factor. Feed could be produced. There are irrigation areas in Alberta which could be turned into the production of barley and other feeds if it were found profitable so to do. I just wanted to draw these matters to the attention of the minister so that he will know how the people of my constituency feel anyway.

I wish to turn now to sheep production. There is widespread dissatisfaction, I would say universal dissatisfaction in my constituency with the sheep policy of the Department of Agriculture. It is pointed out that the cost of producing wool and producing sheep is going up from year to year, and there are considerable risks which must be faced. The result is that men do not feel they can produce sheep with confidence and assurance. They point to conditions across the line which are much more conducive to an attitude of confidence among sheep producers. They say that if those conditions could be imitated in Canada we would have plenty of sheep and wool produced in this country.

I shall say no more with regard to that. I just wish to say in a general sort of way that now is the time to increase the production of feeds, of beef, of pork and pork products and of wool and sheep. I think this country should be turned into a perfect larder of food from coast to coast. I believe the minister agrees completely with me. It is the duty of the Department of Agriculture to come out strongly for measures which will enable the people who are engaged in the production of these important commo-

[Mr. Blackmore.]

dities to produce to the full of their capacity right now. I know the minister cannot tell of the difficulties which surround him and I realize there are many of them. However I have said what the people in my constituency think. Therefore I have discharged my responsibility as the representative of the federal riding of Lethbridge in the year 1947.

Item agreed to.

Marketing service—
24. Agricultural economics, $287,536.

Mr. ZAPLITNY: I notice in the minister's report that reference is made to farm management which comes under the economics division, and there are a few questions I wish to ask on that particular subject. On page 189 of the report reference is made to a study that is being carried on in the milk district of Winnipeg with a view to providing an analysis of costs of production. The report states that a preliminary report has been distributed to cooperators. I should like to know what is meant by the term "cooperators". Also, I should like to know if there is such a report and, if so, will it be made available to the public and when may we expect it?

Mr. GARDINER: The Manitoba dairy study on the central tendencies of dairy costs was carried on by the economics branch. The major value of cost accounting to any enterprise is in the fund of information that is necessary to be supplied in order to calculate the costs. This requires data on food production, labour and other details of farm management not likely to be secured otherwise. The end results in cost calculations are also valuable if only to appraise what is likely to happen under any given price situation. The central tendencies in the cost of milk production in the Winnipeg milk area were placed in a table by those who carried on the investigation. The general result is that they give a number of forms of cost groups. In 1942-43, 104 farms were examined into; in 1943-44, 93 farms; in 1944-45, 91 farms. Those were farmers who cooperated with the economics branch in making this investigation possible. They carry on and give information as to what happens on their farms and the costs of everything related to them. Results are calculated on the experiences obtained through the cooperation of these farmers. The average cost for the first year was 73·5; for the second year, 83, and for the third year, 85·9. That is on the basis of butter fat.

Mr. ZAPLITNY: I asked whether the report would be made public and if so, when we could expect it.

Mr. GARDINER: When the report is completed it will be made public.

Mr. ZAPLITNY: In the same report there is a section dealing with land utilization, and it is stated that the land use committee met in Regina on April 5, 1945, and made certain recommendations. It states that a great deal of information is available or has been accumulated on the question of land utilization, but it is said also that this has not been effectively distributed for public use. These words appear in the minister's report:

> ...that too few persons are aware of these facts; and too little use is being made of these facts. It was felt that coordination of this information should be undertaken and a broad policy of land use developed.

That is very good advice. What is the department doing at the present time to distribute the information more effectively than has been the case in the past?

Mr. GARDINER: We put out reports when the investigations have been completed in connection with any districts investigated, and through those reports we distribute the information which has been gained. For example, I presume the investigation referred to about which there were discussions at Regina is something along the lines of what I have here, which says that in Saskatchewan a land classification was completed in the Elrose-Conquest area in a block of twenty municipal units in the extreme southwestern corner of the province. Such a report would be available to the persons interested and most of them would live in that area. The reports are published for distribution.

Mr. ZAPLITNY: Does that mean that they are mailed in accordance with a specific mailing list to get into the hands of the people who would benefit from the report?

Mr. GARDINER: They are distributed free to anyone who asks for them. When an investigation of that kind is made in a district nearly everyone in the district would know that the investigation was going on. In the milk investigation in Manitoba, for example, when you visit and get in touch continuously with 109 farmers I would expect that all of them would ask for a copy of the report when it was made. I would presume that it would go even farther than that; that the reports would go not only to those interviewed who inquired for it but to others roundabout who knew that the investigation was going on and inquired for a copy of the report.

Mr. ZAPLITNY: I might make a suggestion to the minister. I have had a little experience in adult education, and I found that one

of the chief obstacles arose from the fact that the people did not know that a report of that kind was available. Most people would ask for the information if they knew it was available, and where they could get it. Those who would be directly involved in the investigation would, of course, know all about it, but a great many would not know. I would suggest that reports of that type might be sent around to all the schools, perhaps with a note requesting the schoolteacher to make it known to the public in the area that such a report was available. It might then find its way into the hands of the people who would benefit from it the most.

Under "Marketing Research" in the economics division there is an account, in the annual report of the minister, of an investigation that was made and may still be under way into the marketing of fruits and vegetables in the city of Winnipeg, a study which was requested by the Manitoba department of agriculture. It is pointed out that the investigation was carried on to find out, first, the feasibility of building a wholesale terminal market in Winnipeg for the marketing of fruits and vegetables, and, second, what portion of that market could be served by Manitoba-grown vegetables and potatoes. It is further pointed out that seventeen per cent of the volume laid down in Winnipeg was of Manitoba origin and that about $9,000,000 worth of fruits, vegetables and potatoes were marketed in Winnipeg during 1944-45, which is a substantial amount. Is there a full report available of that investigation which would show what part of that product was sold in the city of Winnipeg and what portion of it was distributed to other towns in the province, together with any information along that line?

Mr. GARDINER: There is a report of that investigation which has been published by the Manitoba government. The investigation was asked for by the Manitoba government; the results have been made known to them, and their report has already been published.

Mr. WRIGHT: To what extent is the department carrying on investigations to determine the cost of production of various agricultural crops? I suppose that would be carried on under this branch, and I should like to know the various products that have been investigated and where one can get information as to their cost of production in different areas?

Mr. GARDINER: The only one that is being carried on at the moment is the one in Winnipeg with regard to milk costs. There is information available in regard to the three years that I mentioned. That is continuing, the information is being brought up to date, and when that is completed the report will be published.

Mr. WRIGHT: I wonder why more work of that kind is not being done, if that is the only such project now being carried on. If we are to implement the principles of the Agricultural Prices Support Act the department will require information on the cost of production of a variety of agricultural products in order to be in a position to establish intelligently floor prices for the different agricultural products. I am surprised to hear the minister say that costs of production of only one product are now being investigated. The department must have information on costs of production of various farm products if it is to establish floor prices intelligently. I would ask the minister how he expects to establish reasonable floor prices without such information.

Mr. GARDINER: Of course for many years organizations have been set up in the provinces to do this very work. To my knowledge, the economics branch of the Department of Agriculture has been doing this very type of work in Saskatchewan at least since 1914, when I first went into the legislature. The branch was there then.

Mr. WRIGHT: That is the provincial branch?

Mr. GARDINER: Yes, and the gentleman in charge of that branch then has, for quite a number of years, been in charge of the branch here. I refer to Doctor Booth. He had his experience first in Saskatchewan; later went to Washington, and still later came here and has been carrying on these investigations with the cooperation of the provinces. There is one difficulty about such information. I have, for instance, a table here showing production costs as 73·5 cents for 1942-43, 83 cents for 1943-44, and 85·9 cents for 1944-45. That bears out the contention of many persons. By the time you get through with your investigations the costs have changed. While it is an advantage to know what the costs have been in the months or years that have gone by, the information is not just as valuable as one would expect in determining what costs are today. It simply gives one a method by which he can make perhaps a pretty close calculation for his own operations, but as for giving statistics that can be relied on at the time you are operating, such figures are not as helpful as they might appear on the surface.

Mr. WRIGHT: I agree with the minister that the cost of production continually fluctuates with the costs of the elements entering into

production. I know that studies have been made at various times on the cost of producing wheat and various other products on different sized farms, and the costs vary not only with the method of production but with the quantity of production. But it seems to me that the department should be carrying on a running inventory of costs of production so that it will know from time to time approximately what those costs are. I do not know whether that would be expensive.

Mr. GARDINER: It would be a costly operation.

Mr. WRIGHT: But I think it is a necessary operation if we are to deal intelligently with agriculture. It could be carried on as the minister suggested, in cooperation with the provinces. It seems to me that that particular line of study was not followed very closely during the war. As a matter of fact we could not do it very well because we were too busy with a lot of other matters. It seems to me that the time has now come when the department, either by itself or in cooperation with the provincial department of agriculture, should get into that field again and determine the cost of production. It is interesting not only from the fact that it may be necessary to implement the Agricultural Prices Support Act but also to determine and to give the farmers some idea of the most economical size of unit for them to operate. There is a tremendous field of investigation in this work. It is one of the ways in which we can reduce cost of production in the country.

I would suggest to the minister that this is one place in which some expansion might be made in determining the cost of production. Certainly, if the time comes when it is necessary to implement the Agricultural Prices Support Act, unless the minister has available in the future information that will give to him some idea of what is a fair price he will have quite a time explaining to farmers that the price established is a satisfactory one. The only way he can prove it satisfactorily is by having figures on the cost of production.

Item agreed to.

Marketing service—
25. Dairy products, $514,340.

Mr. CARDIFF: I have a few questions I should like to ask the minister in regard to this item. Is the dairy inspector who inspects the dairies that supply fluid milk, bottled milk, responsible for the price paid, or is there a standard price that should be paid according to the amount they are getting for their bottled milk, or are they allowed to buy it at whatever price they can get it?

Mr. GARDINER: In so far as the distribution of milk is concerned, as has been stated quite a number of times on the floor of the house—and the last time I remember it was under discussion was a year ago when the hon. member for Haldimand, who, I am sure, we are all sorry is not with us during the discussion, brought out the fact that when this question was investigated at the time of the prices board investigation—it was demonstrated that all matters such as have been referred to, really come under provincial control. The milk boards of the provinces have control over that matter. Investigations with regard to prices are carried on by the provinces or by the local people in some community where they have a board in charge, but not by Ottawa.

Mr. BRYCE: I should like to ask the minister a question about laboratory assistants. There were three last year. They are now done away with and three assistant technicians have been appointed. Are these the same people just receiving an increase in salary? Can the minister tell us something about that?

Mr. GARDINER: It is a change in the title.

Mr. BRYCE: And an advance in salary.

Mr. GARDINER: Yes.

Mr. CHARLTON: Before the item carries, I should like to ask a question about the production of cheese thus far this year as compared with the production in 1944, 1945 and 1946.

Mr. GARDINER: The cheese production in Canada for May, 1946, was 17,000,000 pounds, and for May, 1947, 12,225,000 pounds. The change is downward; it was 28·1 per cent for May. From January to May the production for 1946 was 30,245,000 pounds, and for 1947, 22,830,000 pounds, or a decrease of 24·5 per cent. Of course I think it will be readily agreed that probably it is too early in the season to compare one year with another. It will be noted from these figures that nearly all the production was in May, and there is some question as to whether May was a favourable month for production for this year as was May a year ago. The season is some weeks late this year all across Canada in connection with all production. But I think we would have to be pretty well through June and probably into July before

we could make a comparison which would indicate clearly just where we are going in that production.

Mr. CHARLTON: Is the minister optimistic enough to think there is to be as much production this year as there was last, in view of the fact there are so many cheese factories closed in eastern Ontario. How many cheese factories have been closed in the eastern counties over the past year or two?

Mr. GARDINER: There is no indication at the moment that we are likely to be quite as high in our production this year as we were last year.

Mr. CHARLTON: The minister has not answered the question as to how many cheese factories have been closed in the eastern counties over the past two years.

Mr. GARDINER: I am sorry, but I shall not be able to give them for eastern Ontario. I can give the figures for Ontario. They are not broken down into eastern and western Ontario. The number of cheese factories in 1943, 1944 and 1945—there is nothing later than that; I am sorry, but I shall not be able to give them for the last year—were as follows: in 1943, 561; in 1944, 556; in 1945, 547. I have been given to understand that the decrease has been running at about that rate through 1946 and 1947, but the number of cheese factories is not the complete answer. As is known, since 1939 we have been paying subsidies to encourage the enlargement and improvement of cheese factories. In some instances you have two converted into one; that is, two closed up and one of a larger type opened up and better equipped, so that the decrease as to numbers would not entirely show the picture.

Mr. CHARLTON: I think the minister will agree that the decrease in the amount of cheese produced has been just about on a ratio with the number of cheese factories closed. Most of that has been due to the low price of milk for cheese purposes. A lot of milk has been going to the larger cities in the whole milk trade in view of the larger price obtainable for that milk.

Another question is this. In view of the fact that our cheese has been going to the old country in the same form for the last fifty years, 90-pound cheddars, and marked there as an empire product instead of as a Canadian product, and also in view of the fact the New Zealand cheese is going there in small attractive packages, has this government made an attempt to have the exporters from this country make our cheese a little more attractive to the English consumer?

[Mr. Gardiner.]

Mr. GARDINER: That was one of the efforts made when we did pay the subsidy, to have cheese made up in some factories in a form different from that in which it had been made before. One idea was to standardize the forms in which the cheese was pressed in order to produce cheese more acceptable in form. In addition to that, during the war we carried on investigations as to possible coverings of cheese, cheesecloth, which would make possible the marking of cheese, and today we have cheese going to Britain completely marked with the name "Canada" to distinguish it from what is generally known as empire cheese. That work is being done now as effectively as possible, but it has been completed only within the last few months.

Mr. CHARLTON: Is it sold under Canadian auspices in England or sold by British commission men and still sold as empire cheese even though it is marked Canadian?

Mr. GARDINER: You cannot sell anything in Britain today as anything but a food board product. They do not permit the Danes or anyone else to put up an advertising sign in the country. As a matter of fact, they are all pulled down. People cannot go and ask for any particular kind of any particular food, and the reason is obvious. The food board has great difficulty in securing sufficient food for the people of Britain, and therefore it has entirely ruled out the possibility of people going to a shop and saying they want a particular commodity, whether Canadian cheese or Canadian bacon or Danish cheese or Danish bacon. They simply go and ask for cheese or bacon and they get whatever food the ministry can provide them with. There is no possibility of getting it delivered as anything else.

Mr. CHARLTON: But advertising is not all done on a printed basis. A lot of it is done by word of mouth, and if someone is not fighting for or boosting Canadian cheese, something can be done in that direction.

Mr. GARDINER: The product is distributed in Britain by the ordinary merchant and he has to take what he gets.

Mr. CHARLTON: We are looking forward to the day when that situation will be changed and we may be able to advertise Canadian cheese. We want people to know what Canadian cheese tastes like.

Mr. BROOKS: In connection with the production of dairy products, it would be interesting if the minister could tell us the production of butter in 1946 for the same months as in 1947, just as in the case of cheese.

Mr. GARDINER: Creamery butter in May, 1946, was 31,864,000 pounds and, the production for May, 1947, is 31,269,000 pounds. That is, it is down by 1·9 per cent, or almost two per cent.

Mr. WRIGHT: Does the Canadian government maintain storage facilities in England for Canadian products, or do we turn over Canadian products to the British food board at the Canadian seaboard?

Mr. GARDINER: The British food department takes delivery of all our food products at the Canadian port. That was the arrangement made during the war because they assumed all responsibility for shipping, and that has continued. I should have given the figure for the entire period from January to May in 1946 and 1947. It was 81,753,000 pounds for 1946 and 82,563,000 pounds for 1947, which is an increase of about one per cent over the whole period.

Mr. BOUCHER: Can the minister explain how there is an increase in butter of approximately one per cent and yet a decrease in the manufacture of cheese of twenty-eight per cent in the same month this year?

Mr. GARDINER: It is largely explained by what was mentioned a few moments ago, that probably the greater part of the fluid milk comes out of areas where cheese was originally produced. That may be due to the fact that the cheese area extends from about Three Rivers in Quebec to Ingersoll in Ontario, and all the large cities in Canada are in that area. There is a much larger urban population in that section than in any other, and therefore fluid milk would be taken from those districts to the cities. Much of our butter is produced in western Canada where the population is not nearly as dense as it is in the eastern part and where we do not produce cheese in any event. For that reason the variation will be greater in cheese when you take out the fluid milk.

Mr. BOUCHER: Can the minister give particulars as to the situation in the manufacture of butter in May, 1946, and May, 1947, in Ontario so that we can make a comparison?

Mr. GARDINER: In 1946, in May, the figure is 7,986,000 pounds, and in 1947, 8,259,000 pounds. That is, butter production is up there. From January through it is also up considerably. Cheese production in Ontario through the whole area is down and cheese production is down through the whole period from January to May, which, of course, does not bear out the suggestion I was making; nevertheless the cheese is not made anywhere else except in that district. I am quite sure therefore, that the cheese reduction itself is due largely to milk goinig as fluid milk. It is not due to the fact that it is going to that extent into butter.

Mr. BOUCHER: But if that were so with regard to cheese, would it not be equally so with regard to butter? It seems to me that there is quite an alarming reduction in the manufacture of cheese, particularly in Ontario this year, and that is reflected across Canada by the great decrease in the export of cheese overseas. That being the case, I think it is time, for the sake of the cheese producer in Canada, for the Department of Agriculture to be greatly concerned with the retrograde movement of an industry that is important to Canada. The hon. member for Brant asked certain questions about the advertising of Canadian cheese and the marking of that cheese overseas. Now that the war has been over for two years, and in view of the fact that cheesemaking is a fundamental industry to a great number of farmers who have not the same access to city markets as others, I suggest that the time has come for the department to give serious attention to the cheese industry in Canada and to foster the production of this commodity in every way possible. The facts revealed tonight in that regard are alarming.

Mr. GARDINER: On the question of advertising, the British will not permit us to advertise at all. We had a large advertising programme on in the last few years before the war. We started it in 1936 and built it up to 1939, but we are not permitted to advertise there at present. The only means of getting advertising there is through news items. The discussion we are having tonight may appear in the newspapers and, if it does, we shall get advertising to that extent. Otherwise we are not allowed to advertise there.

On the other question I should repeat what I said earlier in the discussion. Cheese production is a month late this year because of the nature of the season. That in itself largely accounts for the fact that cheese is down as compared with butter. My hon. friend shakes his head, but I have heard him use the argument time after time since he has been here in the house that price has something to do with this. Everyone admits

that cheese is higher in price than butter at the present time, and much higher. If price is the only thing that counts, or the return that the farmer can get for it, then cheese production should certainly be higher. But everyone who knows anything about farming in Ontario knows the production season is at least a month late. A month or a month and a half from now we could make a much more valuable comparison than we can at the present time.

Mr. CARDIFF: Will the minister state what surplus of butter we have at the present time as compared with what we had a year ago?

Mr. BOUCHER: Before the minister rises to answer, may I ask him to tell us if the Canadian government has made any representation to the British parliament asking them to permit the advertising of Canadian cheese?

Mr. GARDINER: We know better than to make that representation, because we are told regularly that we cannot do so. We have the United Kingdom government's representatives here in Ottawa all the time. As a matter of fact they live in the same building as I do and I see them regularly. We know we cannot advertise in Britain at the present time.

Mr. BURTON: The minister might go a little farther and state that for a number of years we have not been allowed to advertise.

Mr. GARDINER: Since the war.

Mr. CHARLTON: The minister made the statement that it was only because of the late season there was less cheese production this year.

Mr. GARDINER: I said that was the main reason.

Mr. CHARLTON: I should like to remind the minister that it is unlikely that as much cheese could be produced with fewer cheese factories in this country; therefore it is not just the late season which has caused the smaller production of cheese.

Mr. GARDINER: A question was asked about storage. On June 1, 1947, the amount in stock was 23,533,331 pounds of butter; and a year ago on the same date the amount was 18,226,957 pounds.

Mr. BLAIR: While we are talking about the production of cheese and the closing of factories, may I say that in eastern Ontario last year—and that is not taking into account the month of May—twenty-three cheese factories closed up. Very few of those cheese factories amalgamated, and where they were amalgamated there was little influence on production because of the long haul to bring the milk to the cheese factory. A number of these factories have gone into other forms of processed milk. So there is no other reason than that for the production of cheese being cut down in eastern Canada. We cannot expect to get as much production when we have twenty-three cheese factories less. I know of several more factories which closed this spring; and several of them, instead of making Cheddar cheese, have gone into making other forms of cheese.

Mr. BRADSHAW: Will the minister say how much increase there has been in powdered or concentrated milk? Some of our factories in Perth county are closed and some of them are milk powder factories.

Mr. GARDINER: On condensed milk, there is 3,104,000 pounds for May, 1946, and 2,801,000 pounds for May, 1947, or a decrease of 9·8 per cent. On the whole period from January to May, the decrease has been a little greater, namely, 10·9 per cent. On evaporated milk the decrease is 0·4 per cent for the month and the increase is 1·8 per cent for the period. On whole milk powder there is a decrease of 3·9 per cent in the month of May and an increase of 6·6 per cent for the whole period from January to May inclusive.

Mr. WHITE (Middlesex East): Much has been said about the number of cheese factories being closed. We have had the viewpoints from various members. I should like to have a statement from the minister himself as to the explanation.

Mr. GARDINER: I have given it twice, and I think that is enough for one night.

Mr. JACKMAN: May I just say to the minister that I hope he will bring strong representations to bear on the British government with respect to our advertising our own products. In Canada it is true that we are attentive to the possibility for the future, as well as for the present, of the British consumer of our agricultural products. It surely cannot be said that we are not entitled to advertise our own agricultural products in Great Britain. I can understand the viewpoint of the government there when they say they do not wish to encourage more consumption because they have not more to give to their people. At the same time, if you read any British magazine or journal you will find advertised many things which are in short supply. When we supply these foodstuffs largely, if not entirely, at our own expense, at the present time, I find it difficult to under-

stand why we should be dictated to by the United Kingdom government. As a Canadian, I resent it. I feel that the minister should do everything possible to make sure that we establish our brands for a time when conditions may be more competitive than they are today.

Mr. WHITE (Middlesex East): Representations have been made by the Ontario cheese producers' association from time to time. Would the minister state if those representations have been implemented as far as possible by his department?

Mr. GARDINER: Most of the discussions we have had with the cheese producers have been with regard to price, and the negotiations that we have had with Britain have established the price under the contract. We have, of course, not been able to secure as much as any producer I know of thinks he would like to have. Cheese producers are no exception. We have, however, discussed the matter fully with them, and I think they have finally agreed that we are getting all we can expect to get under the circumstances.

The CHAIRMAN: Shall the item carry?

Mr. CHARLTON: I ask that the item stand.

Item stands.

Progress reported.

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

Tuesday, June 17, 1947

The house met at three o'clock.

REPORT OF COMMITTEE

Fourth report of standing committee on public accounts—Mr. Isnor.

HOUSE OF COMMONS

MOTION FOR SITTINGS FROM 2 TO 6 AND FROM 7 TO 11 P.M.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, hon. members will recall that I invited my friends the leader of the opposition and the leaders of the C.C.F. and Social Credit parties to meet with me yesterday afternoon at five o'clock to see if we could not together work out a plan that might help to expedite the business of the session. I am happy to say that all were agreed that if hon. members would lend their support it would be advisable to have the house meet from two o'clock until six and from seven until eleven each day from tomorrow until the end of the session. There was some consideration of the question of beginning morning sittings, but it was thought that at least for the present hon. members would prefer to meet for a longer number of hours in the afternoon and evening and have the morning free. If we are hard pressed to get through at the time we hope it may be possible to get through, we shall consider the possibility of meeting on Saturdays as well.

I may say that this plan has back of it the hope and, possibly, the expectation that if all hon. members cooperate we might be able to wind up the business of the house towards the end of the first week of July. That will depend altogether on cooperation between the different parties and the support of their members in the house. To that end we have considered what were the most important measures still on the order paper and the general wish that they should be brought forward as soon as possible. My colleague, the house leader, the Minister of Veterans Affairs (Mr. Mackenzie) announced last night that there would be two important measures proceeded with today, the resolution of the Minister of Labour (Mr. Mitchell) respecting industrial relations and investigation of industrial disputes, and the resolution to amend the Old Age Pensions Act. How far we can proceed with these measures will depend upon the general consent the house may be prepared to give.

It was thought it would best suit the convenience of hon. members and help to expedite business if we reserved Wednesday evenings and all day on Fridays for the consideration of estimates. By knowing in advance that no government measures other than supply would be taken up on Wednesday evenings and on Fridays hon. members would be in a better position so to arrange their time as to give it to those matters in which they are most interested. On Mondays, it was felt we might take up any measures that are on the order paper. It would not however be the purpose of the government to bring forward on Mondays the most important measures.

I think that covers pretty much the line of agreement that we reached in the course of our conference.

There is a small bill which my hon. friend the Minister of Finance (Mr. Abbott) is interested in bringing before the house as soon as possible, an act to amend the Canadian and British Insurance Companies Act, 1932, and the Foreign Insurance Companies Act, 1932, notice of which appears in the *Votes and Proceedings*. In order to have it presented to the house today the house would have to give its unanimous consent. If that

can be given the Minister of Finance will introduce that bill first thing this afternoon.

With respect to some of the measures I have mentioned there was also the feeling that if we could have it generally agreed that the discussion would take place on the bills rather than on the resolutions that would greatly expedite the business.

There appears in the *Votes and Proceedings* of today, Mr. Speaker, a motion that the house meet tomorrow at two o'clock and from then on until the end of the session along the lines I have indicated. As the notice of motion appears there is some lack of punctuation or a small hiatus in printing that might mislead the members, but I will read the motion as it would appear if correctly punctuated and will ask that it be presented to the house immediately. Under the rules of the house this motion does not require any notice:

That on and after Wednesday, June 18 instant, until the end of the session, the house shall meet at two o'clock p.m. of each sitting day; and at six o'clock p.m., Mr. Speaker shall leave the chair until seven o'clock, all notwithstanding any standing order or resolution of the house in relation thereto.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, what the Prime Minister has had to say was I think a correct summary of the conference which took place yesterday afternoon. On behalf of this party I wish to say that we are prepared to support the motion he has just now moved. My understanding of that conference was that on one important measure there will be no debate at the resolution stage, namely, the old age pensions resolution, but that the debate will take place on the second reading of the bill. I do not know that we were quite so definite with respect to other measures, but on that particular measure there was that definite decision.

Might I suggest, Mr. Speaker, that the government give early consideration to the question whether some measures now before us cannot be dropped from this year's programme in order still further to expedite the business of the house. That question was raised yesterday but did not reach any finality. I leave the suggestion with the government to see what they can do in that respect.

Motion agreed to.

HUMAN RIGHTS

CONCURRENCE IN SECOND REPORT OF SPECIAL JOINT COMMITTEE

Right Hon. J. L. ILSLEY (Minister of Justice) presented the second report of the special joint committee on human rights and fundamental freedoms, and moved that the report be concurred in.

Motion agreed to.

PRIVILEGE

MR. MACKENZIE—REFERENCE TO STATEMENT IN DEBATE ON JUNE 11*

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): I wish to raise a question of privilege. The other day in the course of a debate, in reply to a question by the hon. member for Yorkton (Mr. Castleden) I said that Mr. Ferland had been dismissed from the Department of Veterans Affairs. I regret to say that it was a misstatement of fact. He was on sick leave and personally tendered his resignation, which was accepted by the department. In fairness to him I think I should make this correction.

INSURANCE COMPANIES ACTS

AMENDMENT OF 1932 STATUTES TO AUTHORIZE INVESTMENT IN SECURITIES OF RECONSTRUCTION AND DEVELOPMENT BANK

Hon. DOUGLAS ABBOTT (Minister of Finance): With the unanimous consent of the house I should like to move for leave to introduce Bill No. 337, to amend the Canadian and British Insurance Companies Act, 1932, and the Foreign Insurance Companies Act, 1932.

Mr. CHURCH: Will the minister explain it?

Mr. KNOWLES: Explain.

Mr. ABBOTT: This bill if passed will authorize insurance companies to invest in the securities of the International Bank for Reconstruction and Development. I may say that various states of the union which have jurisdiction in these matters are taking similar action to authorize their insurance companies so to invest.

Mr. CHURCH: Does the superintendent of insurance recommend it?

Mr. ABBOTT: Yes.

Motion agreed to and bill read the first time.

FOREST CONSERVATION

EASTERN SLOPE OF ROCKY MOUNTAINS—AGREEMENT WITH ALBERTA

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply, for the Minister of Mines and Resources) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a bill to approve a certain agreement between the dominion

**See p. 4110, June 11*

of Canada and the government of Alberta respecting the protection and conservation of the forests on the eastern slope of the Rocky mountains and to provide for the payment out of the consolidated revenue fund of sums required for capital expenditures, payments to the province of moneys for formulated programmes carried out by the province, salaries of officers and employees appointed under the act and expenses incidental to the operation of the act.

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

Motion agreed to.

POSTAL SERVICE

AIR MAIL TO TELEGRAPH CREEK, B.C.

On the orders of the day:

Hon. ERNEST BERTRAND (Postmaster General): On the 4th of June the hon. member for Skeena (Mr. Archibald) inquired respecting delay in the delivery of mail for Telegraph Creek, B.C. I took the question as a notice, and the answer is as follows: I have now established that the difficulty in this case arose from the change-over from winter to summer routing of mail for Telegraph Creek. In the winter, mail for that post office is dispatched from Vancouver to Carcross, Yukon, whence it is forwarded by air stage service to destination. In the summer the mail is dispatched to Wrangell, Alaska, whence it is forwarded by river boat to Telegraph Creek. The last air stage flight from Carcross to Telegraph Creek for the winter season was made on April 2, and mail dispatched to Carcross on April 8 and 19 had to be reforwarded from the latter point to Wrangell to connect with the river boat to Telegraph Creek. Since April 30, mail for Telegraph Creek has been regularly forwarded via Wrangell.

WINNIPEG-FLIN FLON AIR MAIL CONTRACT

Mr. R. S. MOORE (Churchill): I should like to direct a question to the Postmaster General. Have Canadian Pacific Air Lines approached the Post Office Department for an air mail contract for their new air line from Winnipeg to Flin Flon via Dauphin and The Pas? If so, can the minister advise whether or not such a contract will be awarded?

Hon. ERNEST BERTRAND (Postmaster General): The answer to the first question is yes. As to the second question, we are studying the terms of the contract now.

WHEAT

INQUIRY AS TO PRICE OF CLASS 2 IN LAST TWO MONTHS

On the orders of the day:

Mr. WILLIAM BRYCE (Selkirk): I wish to direct a question to the Minister of Trade and Commerce. At what prices has class 2 wheat been sold by the wheat board during the last two weeks?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): The hon. member for Selkirk gave me notice of his intention to ask this question. The price of class 2 wheat, that is the so-called world price based on the United States price, has continued to decline and dropped five cents yesterday. Since May 28 the price has fallen 56 cents per bushel, as will be noted from the following chart:

	Price of Class II Wheat, basis No. 1. Northern
May 28	$3.06
May 29	2.99
May 31	2.89
June 2	2.79
June 3	2.78
June 5	2.76
June 7	2.72
June 10	2.64
June 11	2.59
June 12	2.58
June 13	2.56
June 14	2.55
June 16	2.50

There was no change in the price today.

CHEESE

REQUISITIONING FOR UNITED KINGDOM CONTRACTS

On the orders of the day:

Mr. R. E. DROPE (Northumberland, Ont.): I should like to direct a question to the Minister of Agriculture. In view of the uncertainty which exists among the cheese producers in regard to government policy concerning United Kingdom cheese contracts, will the minister inform the house whether cheese will or will not be requisitioned for these contracts during the current year? A clear statement of government policy at this time would contribute substantially—

Some hon. MEMBERS: Order.

Mr. DROPE: —to the stability of all phases of the Canadian dairy industry during the uncertain period ahead.

Right Hon. J. G. GARDINER (Minister of Agriculture): The question just asked was raised on my estimates last night at about half a minute to eleven o'clock. When I get back on my estimates we will discuss it.

INDUSTRIAL DISPUTES

INVESTIGATION, CONCILIATION AND SETTLEMENT —PROVISION FOR BOARDS AND COMMISSIONS, ETC.

Hon. HUMPHREY MITCHELL (Minister of Labour) moved that the house go into committee to consider the following resolution:

That it is expedient to present a bill respecting industrial relations and investigation of industrial disputes and to make provision therein for the payment out of the consolidated revenue fund of the remuneration and expenses of the members of the boards and commissions and the officers, clerks and employees appointed or engaged by or under the authority of the act.

Motion agreed to and the house went into committee, Mr. Macdonald (Brantford City) in the chair.

Mr. MITCHELL: This bill is intended to replace the Industrial Disputes Investigation Act, chapter 112, revised statutes of Canada. 1927, which had been the main federal labour law from 1907 until February, 1944, when by order in council we suspended the operation of the act and gave effect to P.C. 1003, commonly known as the wartime labour relations regulations.

Last year we had a conference with ministers of labour of the various provinces and their officials, at which we discussed the more important principles of a new federal law—and, I may add, in a very encouraging atmosphere of cooperation.

The chief purpose of the conference, of course, was to obtain the views of the provinces as to when it would be most appropriate to restore to the provinces full responsibility for dealing with industrial disputes in industries ordinarily under their jurisdiction.

As hon. members know, the provinces resumed their full jurisdiction in these matters, some on March 31 and others on May 15. The bill now before the house applies only to employees and employers in industries under the jurisdiction of parliament, as follows:

(a) Works, undertakings or businesses operated or carried on for or in connection with navigation and shipping, whether inland or maritime, including the operation of ships and transportation by ship anywhere in Canada;

(b) Railways, canals, telegraphs and other works and undertakings connecting a province with any other or others of the provinces, or extending beyond the limits of a province;

(c) Lines of steam and other ships connecting a province with any other or others of the provinces or extending beyond the limits of a province;

[Mr. Gardiner.]

(d) Ferries between any province and any other province or between any province and any country other than Canada;

(e) Aerodromes, aircraft and lines of air transportation;

(f) Radio broadcasting stations;

(g) Such works or undertakings as, although wholly situate within a province, are before or after their execution declared by the parliament of Canada to be for the general advantage of Canada or for the advantage of two or more of the provinces; and

(h) Any work, undertaking or business outside the exclusive legislative authority of the legislature of any province.

The act will apply also to crown corporations unless excluded by the governor in council.

P.C. 1003 was found to be of great value in contributing to stable labour relations during the critical war years and since, and we have included in the new legislation the best features of that order, changed in some respects and amplified in others, based upon the experience gained in its administration. We have also taken into consideration more recent representations which have been made to us by the provinces and by labour and employer organizations.

I believe the committee will agree with me that it is most important we should have an act for the settlement of industrial disputes which will be fair to the worker and employer alike and that will make possible the equitable and sensible adjustment of differences between them.

The legislation provides what I consider are appropriate procedures and conciliation machinery to deal with disputes of this character affecting undertakings over which parliament has legislative authority. It establishes procedures for the negotiation of collective agreements on wages and other terms of employment, giving the employees the right to organize for the purpose of collective bargaining without interference and to be represented in negotiations by a trade union of their own choice.

In disputes arising out of the negotiation of collective agreements, strikes and lockouts and the taking of strike votes among employees are prohibited until the procedures of negotiation and conciliation laid down in the act have been completely followed. Strikes and lockouts also are prohibited during the time that a collective agreement is in effect, except where the parties have agreed to renegotiate a provision of the agreement before the whole agreement terminates. In any

case of renegotiation the provisions for such conciliation which I have mentioned would apply.

The provisions of part I of the act are capable of being applied, by provincial legislation, to all or any particular industry within the jurisdiction of the provinces.

In other words, we have tried to set a pattern which some of the provinces may care to apply knowing that we shall not be moving as rapidly as we should towards the goal of industrial peace in this country if we have widely varying legislation of this nature in the spheres of dominion and provincial operation.

The unfair labour practices section of the act will prohibit discrimination by employers against employees on account of trade union membership or activity or interference by them in the organization and carrying on of a trade union. Likewise it will be unlawful for any person to use coercion to compel anyone to become, or not to become, a member of a trade union. Trade union organizing work in a plant during working hours is prohibited except with the consent of the employer.

The question of certification of a trade union is, of course, important, and the act provides that a union may obtain recognition as the exclusive bargaining agent of employees if it satisfies the labour relations board that its membership represents a majority of the employees in the bargaining unit which the board also has the authority to define.

The board may order a secret vote where it is considered necessary. In order to take care of a jurisdictional dispute between unions, provision is made for a new certification to be granted if application is made after the expiry of ten months of the term of a collective agreement.

An employees' organization dominated by an employer is not recognized under the act, and there also is a provision revoking the authority of a union to serve as the exclusive bargaining agent when it is shown that the union has lost the support of the majority of the employees.

Once a union has been certified as a bargaining agent, the parties are required to enter into negotiations for the conclusion of a collective agreement. If they cannot settle matters between themselves, then the act requires them to obtain the conciliation services of the Department of Labour. If that fails, a conciliation board may be appointed by the Minister of Labour upon the request of either party. This applies to the renegotiation of existing agreements.

An important provision of the act prohibits an employer declaring a lockout, employees going on strike, the taking of a strike vote or the declaration of a strike until all conciliation procedures have been exhausted and fourteen days have elapsed.

Parties negotiating a collective agreement are required to include in the agreement an appropriate provision for final settlement by arbitration or otherwise, without stoppage of work, of disputes which arise between the employees who are bound by the agreement and their employer during the currency of the agreement, concerning the meaning or violation of the agreement. Where an agreement does not contain such provision, the labour relations board is authorized to write it into the agreement.

A further provision of the act authorizes the appointment by the Minister of Labour of an industrial disputes inquiry commission of one or more persons for the purpose of looking into any industrial dispute and to report thereon. This provision is similar to the provisions of P.C. 4020, an order in council which was extensively used during the war.

For administrative purposes, it is proposed that we establish what will be known as the Canada labour relations board, to be composed of a chairman and not more than eight other members equally representative of labour and employers.

In conclusion, Mr. Chairman, may I say that we have received representations for the inclusion of measures severely curtailing union activities; from others have come suggestions which would involve, under certain conditions, the compulsory application of the principle of union security in collective agreements and the adoption of other innovations.

We have not given effect in this legislation to such representations, since it is not the desire of the government to place impediments in the way of free collective bargaining between employers and their organized workers, or to legislate conditions or terms of employment that properly lie in the field of collective bargaining.

The essential purpose of the legislation is to create conditions favourable to the free exercise of the collective bargaining function in order that negotiations between the parties to a dispute can be carried on with the greatest degree of success.

For that reason, only such regulation of employer and employee activity in their industrial relationships considered as necessary to protect the public interest is incorporated in the legislation. It leaves with labour and management the major responsibility of settling between them their problems in regard to negotiation of collective

agreements and administration of such agreements.

It has long been my view that legislation of this nature will fail in its fundamental objective if it introduces features of a punitive and coercive character which could only result in driving employers and employees further apart. That would make it more difficult for them to establish those friendly relations of good will and cooperation which are so necessary.

Human nature cannot be corrected by a law, and in the final analysis, Mr. Chairman, the major consideration in improving human relations between employers and employees is the simple matter of trying to see each other's point of view and developing mutual understanding.

Mr. CHURCH: I should like to ask the minister one or two questions, the answers to which I think it is only proper that the committee should have, with regard to the legislation now before us. The act used to be called the Industrial Disputes Investigation Act; it is now changed by having the word "relations" added to it. It is to be called the Industrial Relations and Investigation of Industrial Disputes Act. So far, so good. But does this statute apply to public utilities? Some of the utilities are publicly-owned, such as those having to do with light, power and transportation. For instance, there are the street railways. A strike may occur next winter, for one of many reasons, in the light or power services shutting off power or light at a time when meals are being prepared. In view of the decision of the privy council in the Snider case, it is doubtful whether the dominion has jurisdiction over some classes of public utilities such as those having to do with power. If we are to make any change in the remuneration of these boards, we should have value for the money expended. In view of the difficulties we have had during the war and after, may I ask if the act will be made effective by any change of name? Is it a mandatory act? Does it compel the two sides to come together? Why should the citizens of the city of Ottawa or of any other city suffer because of a strike brought against the public? In view of the changes now made in the act, and of the wide discussions in Washington on the subject, are we getting some proper method of bringing the parties together, which we should have, when the law is brought into force?

The CHAIRMAN: Shall the resolution carry?

[Mr. Mitchell.]

Mr. CHURCH: I should like to hear what the minister has to say about the question I raised.

Mr. MITCHELL: I can answer my hon. friend in two minutes. I think I have a recollection of what he called the Snider case. That was some twenty years ago. The industries referred to by my hon. friend of course come purely within provincial jurisdiction.

Mr. SMITH (Calgary West): I understand that any general debate in this matter is to take place on second reading; in that I most heartily concur. Speaking for most of the party over here, I wish to say that we will not debate the matter now, but will reserve our rights until the bill comes up for second reading.

Mr. COLDWELL: I was going to say very much the same thing. I regret that this measure is brought forward so late in the session. It is an important measure which we think—and I speak now on behalf of my party—should be proceeded with after thorough examination by an appropriate committee of the house. In order that the bill may be studied and the principle understood, I suggest to the minister that we proceed with the resolution and give the bill first reading today but defer second reading until the next sitting.

Mr. MITCHELL: That is all right.

Mr. JOHNSTON: As far as this group is concerned, we appreciate having this legislation brought down, although it is late in the session to have such an important piece of legislation brought down. I understand that after second reading the bill will be referred to the committee on industrial relations and there will be given a thorough going-over. Having that in mind, and also the understanding that no discussion was to take place until the second reading, we shall allow it to go through to that stage.

Resolution reported, read the second time and concurred in. Mr. Mitchell thereupon moved for leave to introduce Bill No. 338, to provide for the investigation, conciliation and settlement of industrial disputes.

Motion agreed to and bill read the first time.

OLD AGE PENSIONS

INCREASES IN AMOUNTS AND INCOME ALLOWABLE —MODIFICATION OF ELIGIBILITY REQUIREMENTS

Hon. PAUL MARTIN (Minister of National Health and Welfare) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Old Age Pensions Act which will enlarge the scope of the act by providing increases in the pension payable and the income allowable to pensioners and by modifying certain of the eligibility requirements for pension.

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

Resolution reported, read the second time and concurred in. Mr. Martin thereupon moved for leave to introduce Bill No. 339, to amend the Old Age Pensions Act.

Motion agreed to and bill read the first time.

Mr. FLEMING: Will the bill be distributed forthwith?

Mr. MARTIN: I understand the arrangement made—and the leader of the house will correct me if I am wrong—was that the bill be given first reading today and I would move second reading tomorrow.

Mr. FLEMING: What about distribution of the bill?

Mr. MARTIN: The bill will be distributed before the day is out. I imagine it should be distributed now that we have had first reading.

Mr. BRACKEN: That is the question the hon. member asked, if the bill would be distributed now. That will be necessary; otherwise, we cannot proceed with second reading tomorrow.

Mr. MARTIN: It will be distributed shortly, today.

UNITED NATIONS

ACCESSION OF CANADA TO CONVENTION ON PRIVILEGES AND IMMUNITIES

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs) moved the second reading of Bill No. 272, to provide for privileges and immunities in respect of the united nations and related international organizations.

Mr. J. H. BLACKMORE (Lethbridge): I believe it is inadvisable that this bill be now read the second time. I think it requires a great deal more study than we have yet given to it.

Mr. COLDWELL: It is suggested that it is to be sent to the committee on external affairs.

Mr. BLACKMORE: Has that been suggested, that the bill go to the committee on external affairs?

Mr. ST. LAURENT: Yes.

Mr. BLACKMORE: Is it not possible to refer the bill to the committee on external affairs before it is given second reading? I suggest that this be done, because if the house gives the bill second reading it approves the principle and thereby limits in large measure the authority of the committee on external affairs to discuss the bill in detail. I would urge that the bill be referred to the committee for careful study, before it is given second reading, and I would oppose giving it second reading now.

Mr. SPEAKER: It is not for the Speaker to give direction to the house as to what it should do. The motion is for the second reading of Bill No. 272, and after second reading is given it is the practice to put the motion to go into committee of the whole.

Mr. BLACKMORE: But I desire that the bill be referred to the committee on external affairs before it is given second reading, in order to give that committee greater latitude for discussion of the details of the bill and their implications.

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): If I might say a word in regard to the practice of parliament, when we were over there some years ago the Bank of Canada Act was introduced. We were bitterly opposed to the bill, but we allowed it to be given second reading, reserving all our rights, because the bill was to be referred immediately to a committee. That is exactly what my hon. friend has the right to do now; but the proper practice is to have second reading given by the house; with reservations, and the bill referred to the appropriate committee.

Mr. BLACKMORE: I wonder if the Minister of Veterans Affairs would specify what those rights are. It seems to me his suggestion is good, but what rights would be reserved? For example, we could not reserve the right—

Mr. MACKENZIE: My hon. friend can reserve full freedom of discussion for whatever members of his group or party are on that committee, to criticize the bill and, if they can, defeat it in committee. That is what we did in regard to the Bank of Canada Act.

Mr. BLACKMORE: Does that mean freedom to discuss it in detail in the committee on external affairs or in committee of the whole?

Mr. ST. LAURENT: At this time I am moving second reading of the bill, for the purpose of then moving that it be referred to the committee on external affairs. My under-

standing is that in that committee the whole matter can be gone into. The committee will then make a report to the house, and the whole matter can then be gone into again here. The house will not be bound in any way by the report of the committee. The standing order provides that a bill cannot be sent to a committee until it has received second reading. The subject matter can be sent to a committee, but in practice that involves killing the bill. Here the motion is that the bill receive second reading. When that is given I will move that it go to the committee on external affairs, where there can be a full and complete examination of its provisions. There will be a report from the committee, or no report. If the committee finds that this is a bill which should not be passed, it will not report it, and the bill will die there. If on the other hand the committee feels that it should receive further consideration, the bill will come back here and will have to come up in committee of the whole house where every provision can be examined, discussed and debated. I am quite sure the hon. member will not be deprived of any rights whatever by this procedure, which was suggested in our conference as the most practical and expeditious way of dealing with the subject matter.

Mr. BLACKMORE: This would mean, I take it, that in committee the full discussion could take place on clause one of the bill. Is that the point? I just want to be sure, because when the bill comes back to this house the chairman can do a person a tremendous amount of damage by just riding him every step of the way. I want to be sure to be able to discuss every aspect of this matter.

Mr. ST. LAURENT. I have never known the hon. member to be prevented from speaking his mind in this house ,and I am sure there will be no occasion or opportunity for that to happen in connection with this bill.

Mr. BLACKMORE: It will be on clause 1?

Mr. SPEAKER: Order.

Mr. BLACKMORE: I want to have that assurance, Mr. Speaker.

Mr. SPEAKER: I must call the hon. member's attention to the fact that we are on the motion for second reading of the bill. He knows perfectly well that a member is entitled to rise only once. I cannot permit a debate between the hon. gentleman and the minister at this stage. Is it the pleasure of the house to adopt the motion?

[Mr. St. Laurent.]

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): What the right hon. Secretary of State for External Affairs (Mr. St. Laurent) has said is perfectly right. We can send this bill to the committee on external affairs or any other committee only after it is given second reading. Then if it is reported by the committee it may come before the committee of the whole house, as the minister said would be done. On the other hand the right hon. Minister of Veterans Affairs (Mr. Mackenzie) expressed a wrong view when he said the giving of second reading would not be an acceptance of the principle of the bill. I remember very well what happened in regard to the precedent the minister quoted, the Bank of Canada Act. The parties were unanimous in accepting the principle of that bill, because it was one of the fourteen points of the Liberal party which Mr. Bennett had stolen. So there was no disagreement as to the principle, which was admitted by the whole house.

Here the question is obvious. This is one case where we will have to decide whether we shall have world government or keep the constitution of this country. That and nothing else is the obvious question. It is part of the scheme to bring Canada under the dominion and jurisdiction of a world government. Where it will stop I do not know. This is a theory which has been expressed by some leading men of the world, that we should be governed by a super-administration belonging to all the big powers. I am opposed to that, in the first place because I do not believe that the right of justice belongs to the so-called big powers. That is the first thing. In the second place I do not believe the big powers have been so successful or have shown such good results in what they have done up to the present. In the third place, if things go on like this I am afraid this country will be the trailer of all the other countries of the world, and we in this parliament will be just rubber stamps.

If we are to keep the constitution as it is we cannot accept this kind of government. I am very sorry to have to rise and express personal views about this matter, but they come from deep convictions. If I had not a deep conviction, the constitution being what it is and what it has been for eighty years, I would leave it at that, close my eyes and let it pass.

I do not want to detain the house by making a long speech. If human rights exist, if we in this house intend to apply them to all other nations, then we cannot forget that one of those rights is freedom of speech. Shall we

still have that right with an organization like that? They do not have freedom of speech in Russia; they hardly have freedom of speech in France, and they do not have it in China. They still have it in the United States, as in England, but we know nothing about the future. I say all this with the most friendly disposition.

Do hon. members realize the immunities that are to be given to the representatives of all the specialized agencies of the united nations? The list is formidable; it is enormous. The other day I asked for that information, and the right hon. minister who is sponsoring the bill was kind enough to give me a copy of it. Here they are:

Representatives of members to the principal and subsidiary organs—

Not only the principal, but also the subsidiary organs.

—of the united nations and to conferences convened by the united nations, shall, while exercising their functions and during their journey to and from the place of meeting, enjoy the following privileges and immunities:

(a) immunity from personal arrest or detention and from seizure of their personal baggage, and, in respect of words spoken or written and all acts done by them in their capacity as representatives, immunity from legal process of every kind;

(b) inviolability for all papers and documents;

(c) the right to use codes and to receive papers or correspondence by courier or in sealed bags;

(d) exemption in respect of themselves and their spouses from immigration restrictions, aliens registration or national service obligations in the state they are visiting or through which they are passing in the exercise of their functions;

(e) the same facilities in respect of currency or exchange restrictions as are accorded to representatives of foreign governments on temporary official missions;

(f) the same immunities and facilities in respect of their personal baggage as are accorded to diplomatic envoys; and also,

(g) such other privileges, immunities and facilities not inconsistent with the foregoing as diplomatic envoys enjoy, except that they shall have no right to claim exemption from customs duties on goods imported (otherwise than as part of their personal baggage) or from excise duties or sales taxes.

They can bring in as many trunks as they wish without paying any duty. When they are in the country they cannot import goods from their own or other countries free of customs duties, but that is the only difference from fully accredited diplomats. That is going pretty far. My deep regret is that the united nations are following the same lines as the old defunct league of nations. No imagination is being shown, and we are much worse off than before because all these people who belong, not only to the specialized agencies but to their subsidiaries, will have the same rights as ministers and ambassadors.

Quite often I express personal views, but they are sincere. Sometimes I have the support of hon. members of my party; sometimes I have the support of all groups of the opposition, but in this case I want to congratulate publicly the hon. member for Lethbridge (Mr. Blackmore) and the hon. member for Acadia (Mr. Quelch) upon the foresight they showed when we were in the resolution stage. We may differ at times, but opinions are free. The hon. gentlemen to whom I have just referred meant what they said, as I did. We were sincere in this matter. We gave a solemn warning to the government not to be caught in the web of the united nations.

I entertain great fears about these people, for the reasons that I have given. I do not trust most of them. Nobody trusts them individually, but when it comes to considering them jointly we are all ready to accept anything from them. How is it that when we will not accept the form of super-government they have, we are ready to accept orders and instructions given by those governments? We may trust a few of these governments, but we do not trust all of them. The majority of the big powers have governments that we would not accept. We would not accept the government of Russia, the government of China or the present unstable government of France. With regard to the socialistic government of England and the capitalistic government of the United States, there are differences of opinion. In the case of three out of five they have governments which we would not accept in this country. I challenge any group to say that they would accept any of those three governments. Yet they represent a majority in the government of the united nations. Small nations like Canada will have no say.

We will see caravans of members of specialized agencies and their subsidiaries crossing Canada and living here, and they will be quite free as long as they can show credentials given by any country. The deep fear I have is that it will encourage spying. Their belongings will be untouchable, and it will be impossible to verify what papers they may have because they will be under diplomatic seal just the same as those of ambassadors, ministers and high commissioners. They will be given special privileges, and I am against special privileges. It is all right to receive the representatives of foreign countries, but what about international organizations that are most dangerous? The control of those organizations, and even the control of the united

nations, may be taken over by one of the three dangerous governments I have mentioned.

I want to make myself clear: I do not condemn the people of the big five countries, but I entertain fears about their governments. I would remind the house that the song of Soviet Russia is "The Internationale". The idea of Russia is to create that kind of feeling which will destroy patriotism in all other nations. Then when there is no more patriotism we shall have an international organization where right counts no longer and where might is always right. Those powers will try in their own way to take control of the united nations and establish communism throughout the world. Canada does not count before the united nations. It may count socially but not politically.

Mr. BLACKMORE: Or economically.

Mr. POULIOT: Economically when it comes to giving, but not receiving. Here we are with this new world plan which I have opposed from the start and which I shall continue to oppose as a Liberal who loves his country and does not want the domination of the united nations.

Mr. BLACKMORE: All honour to you.

Mr. POULIOT: I do not say that because I am opposed to Russia or some other country, but I do find that the government of Russia is one that I would not support by my vote if I were a Russian, and as only one vote is given in that country I would abstain from voting, to my great regret.

I hope the members will think of these things. I hope I have expressed myself clearly. I warn the house, I warn you, sir, I warn the cabinet and all my colleagues of the dangers of this policy.

After the last war we heard the same kind of speeches we are hearing today; but then it was about the league of nations, and not only the league of nations, but the Briand-Kellogg pact, which was signed by the Prime Minister of Canada after Sir Robert Borden had signed the treaty of Versailles. Those treaties were official treaties binding the signatory nations to maintain peace throughout the world, and they turned out to be scraps of paper. We hear no more about the Briand-Kellogg pact; we hear no more about the Versailles treaty.

There is a complete lack of imagination in those who want to establish this new world policy. History repeats itself, history with all its failures. Now we are confronted with the danger of a powerful organization of the few impairing the sovereignty of the many small powers, the so-called small nations.

When I speak in my own constituency my speeches are not longer than the one I have just made. I let my constituents finish them by thinking of what I have said to them and drawing their own conclusions. I always tell them: Do not accept blindly what I tell you. Think about it, and if you think I am right, support me. If you think I am wrong, tell me, but tell me why.

In this case, Mr. Speaker, I have spoken earnestly and I need your protection. This debate is much more in conformity with the human rights theory than the discussion we had when the resolution came before the house. It was pitiful at that time and very sad to see my hon. friends the members for Lethbridge (Mr. Blackmore) and Acadia (Mr. Quelch) and myself unable to ask questions that we had a right to ask. I draw your attention to that, sir, and I hope that on future occasions the discussion in the committee, when we ask questions, will be on a higher level and will be similar to the debate we are having now.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I wish to withdraw my opposition to this measure, because I do not think the united nations will amount to anything anyway, and the immunities may never be used. I have not the faith in that organization that the minister and other members of the house have because you have given a first-class power, Russia, the right to veto everything UNO does. Mr. Bevin and Mr. Marshall are going outside of the united nations organization, as they did at Paris and at Moscow. Mr. Bevin has made an arrangement with France, and Mr. Marshall proposed "economic unity" for the whole of Europe, outside of the united nations. The Japanese treaty is to be handled outside of the united nations organization altogether by Mr. Bevin and Mr. Marshall. This organization is going to wind up like the league of nations. It is merely going to postpone things and nothing will be done for next winter. But as long as we belong to the organization I suppose we have to accord to them these privileges and immunities, and I have no objection to that. The organization will shortly die a natural death as the first league did.

Mr. SOLON E. LOW (Peace River): Mr. Speaker, I shall delay the house for just a moment to put the position of my group squarely before the house. We do not like this bill. We think this is the booby trap that

has been set for the government of Canada to walk straight into, and we are determined to see that they do not do it and get completely softened up so that they can be easily gathered into this web of the united nations that is strangling us and dragging us forward to world government. That is why we want a full and free discussion of this bill at some stage. The only concern we have is whether or not on section 1 of the bill we shall have ample latitude to discuss any feature of it we desire. If we have that undertaking we shall not delay the house further at this stage, but we certainly want perfect freedom in committee to discuss in the fullest possible manner any matter concerning or relating to this bill. We would like to reserve all our rights to discuss the bill when it comes back from the committee, because we certainly shall have something to say about it.

Mr. STANLEY KNOWLES (Winnipeg North Centre): Mr. Speaker, I shall be only a few minutes. I have refrained from speaking on other matters in which I was interested, and I think I have demonstrated something by that, but in view of the remarks that have been made thus far this afternoon in opposition to this bill I feel that the debate cannot be concluded without something being said on the other side. Therefore, I rise to support whole-heartedly the second reading of this bill.

Mr. LOW: That is a good reason for opposing it.

Mr. MACKENZIE: Unity in diversity!

Mr. KNOWLES: Frequently I find myself in the right, even though in the minority. This time I happen to be in the right, and the majority is with me. The member for Peace River (Mr. Low), in the remarks he has just made, has indicated clearly his reasons, and I believe the reasons of others who have spoken, for his opposition to this measure. It is not just that they are opposed to the granting of these privileges and immunities. It is rather that they are opposed to the structure of the united nations and are afraid that we are heading towards the loss of Canadian sovereignty in a world government.

Mr. BLACKMORE: We are certain of it.

Mr. KNOWLES: In other words, I have stated the hon. member's position quite correctly.

Mr. BLACKMORE: Certainly we are running into difficulty.

Mr. KNOWLES: The fact of the matter is that sovereignty, as we know it today in individual nations, simply is not good enough to protect the peace and welfare of the people of the world. The time has come when we must create a larger and wider sovereignty for the protection of mankind.

Mr. LOW: How about the United States forces in Canada?

Mr. KNOWLES: That, Mr. Speaker, was not a case of creating wider sovereignty. That, in our view, was a case of surrendering our sovereignty to another nation in the government of which we are not represented. But with respect to the united nations the matter is one of creating a new world sovereignty in which we have a very definite voice.

Mr. SPEAKER: Order. I would call the attention of the hon. member to the fact that the measure before the house is not one to create sovereignty for peace. The bill which is before the house is entitled "An Act to provide for privileges and immunities in respect of the united nations", which is already organized, "and related international organizations" which are already organized. I would ask hon. members to confine their remarks to the principle of the bill which is actually before the house.

Mr. KNOWLES: Mr. Speaker, if I may say so, I think you have not only given a good ruling but made a good argument in the debate itself. That is exactly the point that I was seeking to make in reply to the hon. member for Temiscouata (Mr. Pouliot), the hon. member for Lethbridge (Mr. Blackmore) and the hon. member for Peace River (Mr. Low)—that what they are opposing is not the bill which is before us but the united nations organization, together with its specialized agencies, which are already set up, and of which Canada is a member, and to which this parliament agreed unanimously.

In deference to Your Honour's ruling I shall cut short my remarks. I contend that we are not surrendering sovereignty; we are creating a new sovereignty for the peace of the world. In the charter of the united nations we have agreed to accept these terms. Article 105 of the charter states that the organization shall enjoy in the territory of each of its members such immunities and privileges as are necessary for the fulfilment of its purposes. That is the meaning of this bill, and any attempt to defeat it is contrary to the spirit of the charter and would be nothing more or less than an attempt to defeat the purposes of the

united nations. Such an attempt I regard as a disservice to mankind. For these reasons I think the bill should be passed and the principle approved.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Mr. LOW: On division.

Motion agreed to on division, bill read the second time and referred to the standing committee on external affairs.

DOMINION COAL BOARD

ADMINISTRATION OF SUBVENTIONS OR SUBSIDIES VOTED BY PARLIAMENT

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply) moved that the house go into committee to consider the following resolution:

That it is expedient to present a bill to establish a corporation to be known as the dominion coal board to administer subventions or subsidies relating to coal voted by parliament, to exercise and perform certain other powers, duties and functions.

Provision is made further for the advisory functions of the board, for the employment of professional and technical advisers and assistants and their remuneration, and for all expenses of the act to be paid out of moneys appropriated by parliament for the purpose.

Motion agreed to and the house went into committee, Mr. Macdonald (Brantford City) in the chair.

Mr. GREEN: Will the minister make a statement on this resolution?

Mr. HOWE: Yes. This resolution provides for the establishment of a dominion coal board as a further step towards solving a problem that has been before this house and the people of Canada for the past seventy years. The first report on coal which has come to my notice is by a select committee of the House of Commons, dated April 27, 1877, dealing with "the state of the coal trade and for the promoting of interprovincial trade". That report suggested that bounties and subsidies be granted for the movement of Nova Scotia coal to points in Quebec and Ontario.

The intervening years have produced numerous reports on coal by parliamentary committees, royal commissions, and provincial commissions. The last report on the subject is entitled "Report of the Royal Commission on Coal", which was tabled in this house on January 31, 1947. The report represents months of careful and conscientious study by the commissioners, and I commend it to all members of this house for careful study.

Direct intervention by the government in the production and distribution of coal dates back to June, 1917, when the government appointed a coal controller to deal with fuel difficulties that were an outgrowth of the war period. At that time it became necessary to make regulations to protect the production, sale, delivery and consumption of all fuels to meet wartime requirements. The final report of the first coal controller, dated March, 1919, stressed the necessity for having a continuing body to deal with coal supplies generally. The dominion fuel board was created by order in council in November, 1922, and since that time has functioned within its original terms of reference. The recent royal commission report states that the powers of the present board are not sufficiently wide in scope to deal with the present problem.

Shortly after the outbreak of the second world war, the government appointed a coal administrator under the wartime prices and trade board, with jurisdiction over the supply, distribution and price of coal. The staff of the dominion fuel board was taken over by the coal administrator. By 1942 the problem of coal supply became of paramount importance and to deal with it the government appointed an emergency coal production board under the chairmanship of the coal administrator. Shortly after this, since supply problems generally were being dealt with by the Department of Munitions and Supply, the duties and responsibilities of the coal administrator were transferred to that department under the direction of a coal controller.

Coal control ended on December 31, 1946, and the functions of coal administration ended with the lifting of the price ceiling on coal on April 15, 1947. At that time, the dominion fuel board was reconstituted and is at present functioning within its original terms of reference.

The government is in full agreement with the recommendation of the royal commission on coal that a dominion coal board be established and charged with the responsibility for implementing the recommendations of the report. The board will take over the records of the dominion fuel board, as well as those of wartime controls, and these will form a valuable background for the work of the new board. I might add that, if proof is needed that these records are valuable, it will be found in the fact that during the period of wartime coal control it was possible to arrange for supplies of coal that maintained full industrial production without one day's loss of time from coal shortage, as well as a full supply to the household consumer.

Much has been said and written about the Canadian coal problem. This is not a single problem—we have many coal problems, differ-

ing in kind and degree. There is the problem of maintaining an adequate supply of coal for our national requirements, and there is also the problem of building up in Canada a sound and healthy producing industry. There is the problem of finding steady and adequate markets for Canadian coal, and the problem of providing reasonably full employment at fair wages for our miners. Each section of Canada has its own coal problem, differing from that of other sections.

The report of the royal commission on coal accepts the necessity for industries in central Canada to secure the major portion of their coal requirements from the United States. Developments in low cost production and transportation may possibly alter this concept in some measure in the future, but it would appear that for many years industry and households in central Ontario will continue to secure supplies from the nearest source, namely, the immense deposits in the Appalachian field in the United States. However, this finding need not preclude the growing development of a stable and prosperous producing industry within this country; nor need it preclude the provision of an increasing and remunerative field of employment for Canadian coal miners.

The commission has found that the government policy of subventions to assist transportation of coal, arising out of investigations made by a special committee of the House of Commons in 1921, has been both well designed and reasonably adequate, and should be continued. This subvention policy has been directed primarily to the marketing phase of the Canadian coal industry. The problem of providing and maintaining an adequate market for Canadian coal is constantly changing, and does not, by its very nature, lend itself to the establishment of a rigid and invarying policy. Therefore the commission recommends that the present dominion fuel board, composed of civil servants, be replaced by a new statutory body which will serve full time in the administration of present subvention policies and such new measures of assistance as may be required from time to time. In this way the marketing problem will receive the constant attention of a body set up for the purpose. The resolution now under discussion has for its purpose the implementation of this recommendation.

I will now discuss the other main problem, namely, the production of coal throughout Canada at the lowest possible cost. The report of the commission gives the salient features of the operations in each of Canada's main coal fields. In normal times, and during the war, the industry has been in a healthy state in Saskatchewan, and in Alberta, including the southeast corner of British Columbia. On the other hand operations on Vancouver island, and particularly in the maritime provinces, have not been in a healthy condition for many years. The mines producing industrial and railway coal in the mountain regions in British Columbia have had a particularly good record. The profits of the group are not excessive, but in wages paid, in constant and increasing output, and in efficiency of production, these operations stand out over the general average. The production of domestic coal in Alberta has suffered from seasonal operation, inherent in the nature of the coal, but even under this handicap shows a sound and encouraging record. The lignite coal mines in Saskatchewan have built up by their own efforts a sound and profitable market, and have a record of expansion that is by no means ended. There are few serious problems in the operation of this section of the industry that cannot be solved by the industry itself. The provision of a stable market for the industrial and railway coals is bound up with the general prosperity of the country, but there would appear to be good prospects for the maintenance of an adequate and orderly marketing of the output from this area. The greatest improvement can be effected by developments in research that will solve the present seasonal fluctuations in the production of domestic coal in both Alberta and Saskatchewan. When the solution for this problem can be found, the freight subvention policy recommended in the commission's report should be adeqaute for this section of the industry.

The coal fields of Vancouver island represent a special problem. The output per man day has been consistently lower than in the mountain and prairie mines, and the market has been restricted and highly competitive as against other fuels, such as oil and wood. For the past four or five years there has been a market for every ton of coal that could be produced, but for a variety of reasons, the mines have not increased their output to meet the challenge. In fact production has gone down, and it has been necessary to sustain operations by means of production subsidies. The ending of production subsidies calls for a reorganized production programme, required to maintain a sound and healthy coal producing industry on Vancouver island.

A still more serious outlook is presented by present conditions in the maritime provinces, and particularly in the Cape Breton area. We have here the largest concentration of the Canadian coal mining industry, located

in a heavily populated area, that is almost wholly dependent on this industry for means of livelihood. The other large maritime industry, steel, depends for its wellbeing upon an adequate supply of coal, at a cost that will permit the sale of its products at competitive prices. Maximum production from the maritime coal fields has been a matter of national necessity during the two great wars within our generation. Thus the maritime coal problem is of the highest importance, not only to that locality but to all parts of Canada.

Mining has been carried on continuously in the Cape Breton field for a longer period than in any other Canadian area, and part of the problem arises from the technical difficulties, inherent both in the nature of the deposits, and in the very fact that mining operations have continued along lines laid down years ago. The methods adapted to mining of coal in earlier years may not be best adapted to the present situation. The royal commission report devotes considerable space to mining methods in these areas.

The production of coal in the maritime provinces, since early in the war, has presented an increasingly difficult and distressing problem. Production in this area has dropped by over two million tons per annum from normal, and the cost of production has skyrocketed to the point that the federal government has been obliged to provide upwards of twenty million dollars to the mine owners since January 1, 1942, in production subsidies, to prevent the industry from collapsing. The operators have placed the blame for decreased efficiency and higher cost on labour, and in turn, labour has been very critical of the management.

Special production subsidies no longer can be justified. The royal commission recommends the ending of production subsidies, but two of the commissioners suggest continued government aid to the maritime industry for a short reconversion period. The report is definite in its indication that the industry must expect to stand on its own feet, except for enlargements of its markets through freight subventions. Unless increased production can be obtained, subvention assistance is likely to be of little benefit, as production of coal, and its consumption, are at present about in balance within maritime provinces.

In pre-war years, wages for coal miners in the maritime provinces have been lower than in other fields, and the necessity for this disparity was recognized and accepted. It is, however, an unsound policy to attempt to perpetuate an industry through low wages. Therefore every effort must be exerted to provide, through a return to low cost and efficient production, for the payment of wages that will return a fair and reasonable standard of living to the workers. We are faced with the outstanding fact that if production in the mines were brought up only as far as the pre-war level of efficiency, the present difficulty would fade and disappear. Such an improvement would provide for increases in wage scale, as well as for surplus earnings available to management for necessary mine improvements.

I would sum up the maritime situation by saying that unless the problems facing the industry are quickly solved, the industry is heading for disaster. The problem of restoring the coal industry of the maritime provinces to a healthy condition is wrapped up with the continued prosperity of the area, and constitutes a plain challenge to private enterprise, as it is also a challenge to organized labour.

The coal report concludes with both majority and minority recommendations, but it is interesting to note that there is in fact a substantial measure of unanimity. There is agreement with the policy of assisting Canadian coal to find a wider market by means of subventions and the present tariff, as that policy has been developed and administered in the past, is sound and should be continued, although there are some small differences of opinion as to the future scope of the policy. The commissioners are unanimous in the opinion that nationalization of the industry, in whole or in part, does not offer any promise of improvement over present conditions. There is agreement that a statutory board should be established to carry on the functions of the dominion fuel board and to assume additional responsibilities in the national interest.

Returning to the supply problem in Ontario and Quebec, geography and economics make it inevitable that these provinces must depend largely on imported coal. Thus the supply is subject to interruptions beyond the control of Canada. We had an example last summer, when you will recall that a protracted coal strike in the United States was followed by a protracted seaman's strike in Canada. Strikes in the steel industry in the United States, result was that at September 1 our imports were three and one-half million tons lower for that period than would supply our minimum requirements. I had every reason to fear that Canada would face a situation this winter similar to last winter's situation in the United Kingdom. However, the coal controller and his staff combined with the Canadian shipping board, both of which had war emergency powers, in a determined effort to correct the situation. Lake carriers

were taken out of their normal trades and diverted to the carriage of coal. Emergency arrangements were made to transport Alberta coal to Ontario markets and to move American coal by rail into this area. The result was that the close of navigation found us with our minimum requirements provided for, plus one and one-half million tons of bituminous coal, and one million tons of anthracite coal, as an additional cushion against further interruptions to supply. This correction could not have been made without the agency of overriding emergency powers. If in future Ontario and Quebec are to have reasonable security of coal supply, it seems necessary that the new statutory board must be clothed with emergency powers adequate to enable that board to deal quickly with any dangerous situation that may arise. The bill based on this resolution will provide accordingly.

Hon. members will find in the resolution and in the bill to come before them, the details of the constitution, responsibilities and authority of the proposed new board. These have been drafted in general accordance with the recommendations of the royal commission, and it has been considered advisable to avoid any attempt to circumscribe the usefulness of this new body by too precise a definition. In the last analysis the responsibility for policy must rest directly upon parliament and government, since the expenditure of public funds will be directly concerned. The matters with which the board will deal are, however, so diverse in character that it will be necessary, for the efficient discharge of the responsibilities imposed, that a wide area of authority be provided for investigation and consideration. The implementation of the findings of the new body will remain the responsibility of government.

Mr. SMITH (Calgary West): The report of the royal commission on coal has been in our hands for some time. This resolution provides first:

> That it is expedient to present a bill to establish a corporation—

In the first place, the minister has given us no reason why this should be a corporation. It is just one of the many crown corporations which we have been forming in times gone by, although in this particular case I can see no reason whatever for clothing this arm of government with corporate powers and then taking it, like other things, outside the civil service, outside audit by the auditor general, and so on. The minister did not mention that in his statement. There may be a reason, but if there is it is quite unknown to me. The resolution continues:

> —to be known as the dominion coal board to administer subventions or subsidies relating to coal voted by parliament, to exercise and perform certain other powers, duties and functions.

The last remark the minister made was, I think, the only one he made with respect to these other powers, duties and functions, when he said that he intended to clothe this board with emergency powers. The recommendations of the royal commission are found on two pages, 582-3, of their report, and Mr. Justice Carroll and Mr. Justice McLaurin had this to say. The last paragraph is really the acting one:

> It is not generally practical to fix subvention aid by statute because the assistance must vary from time to time with changes in the competitive situation. It is exceedingly important that any aid extended should be attended by scrutiny of the efficiency of operations.

Mr. Morrison, at page 600, in his summary puts it in this form:

> A Canadian coal board should be established, to advise the government on assistance to the industry and protection of the public interest, and to administer such assistance as the government deems necessary.

There is this distinction. He thinks the government should determine the assistance necessary, and in my opinion perhaps the other two think it should be a function of the board. The second paragraph of the resolution reads as follows:

> Provision is made further for the advisory functions of the board, for the employment of professional and technical advisers and assistants and their remuneration, and for all expenses of the act to be paid out of moneys appropriated by parliament for the purpose.

I have now read it all. All I am urging now is that I am not in favour of this bill at this time, and I intend to explain why at this time I can see no necessity for it. If I had a much better idea than I now have or a much better idea than the minister has given me about it, I might then be in a position to support it. But what does it amount to? It is nothing more than a resolution saying that we should set up a new corporation to do what certain employees in the government, in the very language of the coal commission, have been doing satisfactorily over the years. At the moment I can see no reason whatever why these functions should not be performed by the men on the fuel board, one of whom I know very well and whom I regard as one of the greatest authorities on coal in the Dominion of Canada; he would certainly be better than any chairman the government can pick out of the air and put at the top of this board.

The point I am making is that, at the moment and with the brief explanation we have had, I cannot see why we should go to the trouble or expense of creating a new corporation with all the attributes and functions—that is, aside from the civil service and so on—which attach to corporations of that kind.

I realize that what I am going to say will be quite unpopular with some people where I live, but I intend to say it anyway. What happens is this. We set up this commission, and I commend them for the immense amount of work they did. I also add that they could have found ninety-five per cent of this information in the files of the government right now. That could have been done, because I know it is there. All these vast summaries have been done again and again, as the minister pointed out, from the time we first started investigating this business many years ago. But that commission was appointed, and they are not blameworthy. They were appointed to find a national policy with respect to coal. I mean, in my own language that is the function for which they were set up. As is admitted by everybody, in discharging that function they have found no answer whatever. In this book there is no answer to the Canadian coal problem. It may be, as the minister said—and I think he is right because he has great knowledge of this business—that as far as central Canada is concerned, we must rely perhaps for a considerable time on imported coal. But he added that we got into an emergency a short time ago and had to switch railroad stock from other purposes in order to save this situation.

This whole thing comes down to a matter of dollars. The big problem is, is the coal problem in the Dominion of Canada a national problem, or is it not? I think we all admit that it is national. Then the only thing we have left to consider is whether it is worth while, I mean to provide the dollars necessary to give coverage to this country for our own coal. There is no doubt whatever that we have the coal. Unfortunately it lies largely on the eastern slope of the Rocky mountains, at least in that area right from the border away up through the coal branch to those mines in there. That difficulty may be insuperable. I must say I am discouraged; I have no ready cure to offer the minister at the moment. But it does seem strange that in a land like this, where we have the coal out there and the great need for it down here, we have developed no scheme by which those two elements may be brought together and thus create industry.

[Mr. A. L. Smith.]

The minister covered our various fields, and I was very happy to hear him say what he did about Alberta. But in justice to those who operate fields in other parts of the country, let it not be forgotten that in Alberta they work under rather good conditions. You find seams anywhere up to sixteen feet in height. On the Highwood river, where I have been myself—I am not like the hon. member for Davenport; I have not travelled much, but that is only sixty-five miles from my home—I have seen seams of solid coal forty feet in thickness, and I may say that is quite a thick seam of coal. There you will find three and four seams underlying each other, perhaps three feet, six feet, eight feet and forty feet in thickness, all in the one formation. So that there is no problem there as to competition with any other place, one might say, with respect to price. Then on the coal branch, that is the branch running south, at Edson I believe they are stripping their coal, which, of course, means that the cost has been brought down to a very low figure. I understand that they operate both a deep mine and a strip mine at the same time. Then you come into Saskatchewan, about which the minister spoke; and if I am not mistaken the successful operation in that area is largely a stripping operation. Then he spoke of British Columbia. I am very far from being an expert in this business, and I am not referring to the district around Fernie, Shelley and so on, but is it not a fact that the Vancouver island field is practically worked out at the present time? I have not been there for several years, but at that time I was in very good company—

Mr. MACKENZIE: Oh, oh.

Mr. SMITH (Calgary West): I do not blame the minister for laughing. I was in the company of mining men; one of those places was available and we patronized it. The point I am trying to make is that at that time it seemed that those fields had practically reached exhaustion. Certainly it was a matter of not many years before they would reach the end of the blocked-out supplies.

Then the minister went to the maritimes. I am not going to say anything about that, save this. It seems to me that there of all places our national coal problem is simple. It is obvious that if things proceed as they have been proceeding in the last four or five years, as the minister says one can see the thing fading and disappearing as an industry at that place. As the minister stated, this coal commission has said that subsidies to the industry must cease, and I believe such steps have been taken. They do favour subven-

tions, by which they mean assistance with respect to freight rates in carrying the coal from one place to another. But I just wonder if at this time we can say that subsidies there should cease. As I said to the Minister of Labour in a previous debate in this house, and as the Minister of Reconstruction and Supply just repeated, down there the men blame management, the reason they give being inadequate machinery and inadequate power. On the other hand, management blames the men, saying they simply are not doing the work. The taxpayers have spent $20 million there by way of subsidies. As the minister has said, if we return to conditions as they were prior to the last war, then the industry can carry itself and pay a decent wage.

So, sir, with great respect I say I do not think we can ever thoroughly understand and, having done that, handle that problem unless we find out which of those statements is true. If it be that the ton and a half per man per shift, approximately, is the best that can be accomplished, then I think it is obvious that the worst fears of the minister will come true unless something more than subventions is done; and of course the only other thing is subsidies. But I do not see how this government or this parliament can say we should stop doing this or that until that specific and simple question is answered. And it can be answered; that can be done in a month by sending some experienced people down into those pits. The minister shakes his head. I do not often disagree with him; he is an authority on coal and many other matters, but perhaps I might get a little shot in somewhere edgeways. I say that can be solved by four men going under ground in those pits; I make that statement, and in it I have the support of a number of people engaged in the business with whom I have discussed it. Until we have that question answered, what are we doing? We are groping in the dark with respect to one of the greatest national problems facing us, and with respect to what may be one of our greatest assets if it can be properly and profitably handled.

Before we are through with this discussion I want the minister to tell me one thing. Having regard to the limitations on this board which I see in this resolution; having regard to the fact he has told us that the commission itself found that subventions had been satisfactorily handled in the past, what gain is there to anybody by transferring that function from officials of the department to a new and expensive corporation? That is a simple question which I think is worthy of an answer, and which I believe can be answered simply. I had something to do with subventions in connection with the late Charles Stewart and the late Wesley Gordon. At different times I have come here with different sides of the coal industry trying to wangle subventions out of these people for certain areas, and I am very happy to say that at times I met with certain success. But I do not see how bringing a new face into the picture will make it any more efficient than it is at present, particularly when we have the finding in the report, as the minister said, that the subventions question has been well handled. The two commissioners have said that conditions change quickly; and at page 583 of the report they object to the statutory form. But let us remember that, as the minister has said, the money can be provided only by statute. If we should have a change in the business during the course of a year, when parliament is not sitting, I do not see why an official of the government, keeping in touch with and studying the matter, cannot make up his mind just as quickly as another official of the government who is called a corporation. I am utterly unable at the moment to see any necessity for setting up a board at this time.

I do not want any one to think I am speaking against the general recommendation that subventions to that industry be continued. I remember coming to Ottawa some years ago to appear before the railroad board. The results were bad, but now that we are to pay them better, perhaps my luck will change next time. I endeavoured to find out what it costs to haul a ton of coal from Drumheller, Lethbridge and the Crowsnest pass, first to North Bay and then to Toronto. The board made a finding and I admit that the figure was prohibitive. After that finding, the subvention situation was carried on.

May I say with respect that I do not think we yet know what the cost is. It is probably my fault that we do not. I was not good enough and I certainly did not have the same kind of help as the railroads had. I felt rather like a fool and I probably acted like one. I do not think anyone knows what it costs the railroads to haul a ton of coal from Cape Breton to Montreal or from Drumheller or the Crow to North Bay or Toronto. I believe there is an opening for our domestic coal in the area north of North Bay, but I cannot prove it. If we could really get down to it and find out what the cost of doing this thing was, then perhaps we might find a basis for a coal policy.

Coming back to where I started, I should like to have the minister explain, first, why the creation of a corporation and, second,

what more will this new group or body do or what more can they do than has been done already by some efficient people who at one time formed the dominion fuel board?

Mr. BROOKS: Mr. Chairman, we have heard a lot about coal in this house during the past years, and I think we agree with the minister's statement this afternoon that the coal industry in the maritime provinces is headed for disaster unless some satisfactory means can be found of putting it upon its feet. We all know what the situation has been during the last few months because of coal strikes and other things that have occurred. The hon. member for Calgary West has suggested that there are two alternatives; either the coal industry in the maritime provinces must be maintained, or it can be allowed to go down. He did not suggest that it be allowed to go down. We in the maritime provinces realize what a tragedy that would be. As the minister knows, there are about 100,000 of our people who are more or less dependent upon the coal industry in the maritime provinces and upon industries which, in turn, are dependent upon the coal industry.

As far as the setting up of this board is concerned, I am not familiar enough with the coal industry to say whether it should be set up. However I do know that as far as the dominion fuel board was concerned, there were certain parts of Canada, in my own province in particular, where it was felt that the board did not meet the situation. Whether the board proposed to be set up by the minister will meet the situation is something which I am not prepared to say. I know this action was recommended by the Carroll commission and I believe it has also been recommended by the operators and the workers in the coal industry.

There is no question that this industry has been kept alive by subventions and subsidies, but we in the maritime provinces feel that that is not any great favour. The minister mentioned that industry in the central provinces, apart from the coal industry, has been kept on its feet to a great extent and built up by the fiscal policies of this country and by our tariff. All industry has been helped greatly, and there is no reason in the world why the coal industry, which means so much to the eastern and western parts of this country, should not be assisted in the same way. The Carroll commission mentions that in its report

Whether subventions and subsidies can best be handled by a board as suggested by the minister, or in some other way as suggested by the hon. member for Calgary West,

is something that I am not prepared to say. I understand that subventions were first given to the Nova Scotia Coal Company about 1930, in the depression years. Those subventions were given as a protection against United States coal. We must realize that Canada cannot produce, or at least she cannot deliver all the coal required in the country. At best we have never provided more than one-third, about 15,000,000 tons out of the 40,000,000 to 45,000,000 tons which are needed by industry and consumers. Therefore it is necessary to bring in coal from the United States. The subventions were given to assist in the movement of coal from Nova Scotia to Montreal and central Canada.

I should like to speak for a moment with reference to my own province. Subventions were given to the mines in Nova Scotia to assist in the introduction of coal into New Brunswick. The mines in New Brunswick depend entirely upon the local market. They sell their coal to the pulpwood industry, to the provincial hydro plants and to the railroads. Sufficient coal is mined in New Brunswick to provide a large portion of these needs. Because of the subventions paid to Nova Scotia mines to assist in the movement of coal into New Brunswick, the industry in New Brunswick has had a most difficult time. Coal from Nova Scotia, with the assistance of subventions, can be sold in New Brunswick more cheaply than New Brunswick coal. The subsidy paid on Nova Scotia coal to the Dominion Coal Company is about $1.67. There is a feeling among the smaller operators in the maritime provinces that the Dominion Coal Company, being a large and strong corporation, can get what they want while the smaller operators have always had a difficult time in getting anywhere near the same treatment as Dosco.

I wish to emphasize that I am not objecting in any way to the subsidies and subventions which have been paid in Nova Scotia, but in so far as the subventions apply to coal that is shipped to New Brunswick, we feel that they constitute an unfair discrimination. We submit that our people have not had the opportunities they should have had.

I should like to ask the minister whether it is the intention to appoint this board on a geographical basis, whether men appointed to the board will be men who understand the coal situation in western Canada, whether they will be men who understand the producers' and consumers' points of view. In New Brunswick the coal situation is entirely different from what it is in any other part of this dominion, and I should like to know whether New Brunswick will have a repre-

sentative on the board. How many members will constitute the board, and what technical advisers and assistants is it proposed to appoint?

We in the maritimes have been producing fifty-two per cent of the coal that is produced for sale in Canada, and in the sale of that coal the sellers have received about one-third of a cent per ton. But in western Canada, which produce forty-eight per cent of the total for the dominion, the sellers received 19½ cents per ton. That just shows what a great difference there is between the different parts of this dominion. This board will have to be a very wise board indeed. It must understand the situation in all parts of this country. I hope that something will be done to keep the coal industry on its feet and that every section of Canada which depends on the coal industry will receive consideration.

Mr. CHURCH: I have been in favour of protection, bonuses, subventions and subsidies for this great industry of coal ever since I entered this house, so that we might develop in this country a national fuel policy and be dependent no longer on a United States supply, but on a supply of British coal, from Wales, from the maritime provinces in this country and from Alberta. At the time I was ridiculed and laughed at, but I had a powerful newspaper behind me, the Toronto *Evening Telegram,* which pioneered and was the author of this national fuel policy for Canada. In 1947, in some places we shall be using coal in Canada for ten months of the year on account of the unseasonable weather.

In 1915, when the Right Hon. Stanley Baldwin was president of a great industry in Swansea, Wales, a ship came out and landed a cargo of Welsh coal in Ashbridge's bay, Toronto at the Baldwin granite plate plant. The *Evening Telegram* spent large sums of money in publicizing this importation of Welsh coal and generally an all-British fuel supply, and I introduced my resolution for a national fuel policy in the house in March, 1923. That same day Hon. Mr. Drury, then premier of Ontario, was in the building and denounced protection as an unmitigated evil that should be torn up by the roots. At that time we had very few supporters among hon. gentlemen opposite for a national fuel policy. I do not see any in the house who were here then. But Hance Logan and the present Mr. Justice Carroll of the coal commission, who was then a member of the house from Cape Breton, supported my resolution. It went to a committee of the House of Commons under the chairmanship of Mr. W. F. Carroll, M.P. That committee made a report, but the report was not adopted until five years later, after the election of 1926. About 1929, the government spent large sums of money by way of bonuses, subventions and subsidies for the coal industry. I give them credit for it, and we can see the results today.

I believe that the minister has done a great deal of good work. I am not one of those who think all the evils and all the good are confined to one party; far from it. I should like to see the functions of this board extended to cover wood peat and other forms of heating, because we shall have a difficult winter. People are going to freeze to death in Canada because of the scarcity of coal and wood. Passing on the train two or three weeks ago, I looked at the coal pile in Ashbridge's bay, Toronto harbour, in my constituency. Normally there will be 600,000 to 800,000 tons of coal piled up at the docks there, but there was very little coal there two or three weeks ago, on account of the strikes and the use of coal in June in some places. The coal situation the world over will be acute this winter. Many in Europe will freeze to death.

I have not the report of the coal commission before me, but I knew the chairman, Mr. Justice Carroll, when he was a member of this house and I had great confidence in him. I believe he has done great work as head of the coal commission, and its report contains a great deal of valuable information, and reveals a lot of labour spent on the problem. I just looked over it the other day; I hope to read it later.

Then think of the great riches of this country in water powers. We have a potential 47,000,000 horse-power in this country, of which only 7,000,000 horse-power has been developed and a portion of that 7,000,000 horse-power is used only seasonally, not for the whole twelve months of the year.

I support the principle of this bill and would like it to include a labour safety clause. I do not want any party to claim credit for it, but I like to pay credit where it is due, and protection was always Conservative doctrine, and in this form of it to pay bonuses, subventions and subsidies to be properly applied to the national development of the country and its resources. My hon. friends to my left were then, after the last election, about fifty-one in numbers in this house led by a very fine man, now a senator and a former cabinet minister, but I did not get very much support from his party at that time when their friends in Toronto, led by Mr. Drury, said that protection was an unmitigated evil.

Now let us get on with the business. In less than six months we shall be having the hardest winter we have ever had.

As I said, I hope the functions of this board will be extended to cover fuel, wood, peat, also cheap light and power. There is no reason why only one-seventh of our potential horse-power should be developed. There should be a national hydro policy for the whole dominion. A long time ago I was surprised to learn that they had no hydro electric policy in British Columbia, but they have established one recently. The province of Quebec is also starting on public ownership of hydro. I hope that in the years to come a national hydro electric policy will be developed for this whole dominion.

In the old days we used to have wood brought down by the old Nipissing railway from south of North Bay. This wood was used for fuel. A lot of it could be used now.

I hope that every effort will be made to see that this board which is to be appointed is the board which will expand itself as years go by and that we may get a national fuel policy which is needed for health purposes and to develop this country.

Mr. JOHNSTON: It is not my intention at this time to speak at any great length, but I should like to say that we must have a fuel policy before the difficulties of the country are solved. It was the hope of every hon. member, and certainly of those in the west who are particularly interested in coal production, that when the coal commission's report was brought down there would be some indication of a national fuel policy. I have gone carefully over the report and, so far as I can find out, there is nothing in it which would bring about a solution of that great problem. Whether the payment of subsidies will be the entire solution I am not sure. From my reading of the report I gather that the commissioners did not favour the idea of a production subsidy.

Like the hon. member for Calgary West, I am not in a position to say whether a production subsidy would be worth while. I do not think anybody is in a position to say that until he knows the actual facts. Certainly from my scrutiny of the report I did not think the commissioners were in a position to tell us, other than to say that conditions in the eastern part of Canada were not as good as they should be. I am not one of those, and never have been, who favour subsidizing inefficiency. It is poor business to start with, and it would be an exceedingly poor policy from the government's point of view.

The government has paid out large subsidies, particularly during the war, to get badly needed production. It subsidized production. During that time the government was spending hundreds of thousands of dollars in subsidies; yet the report revealed that there was not the proper provision in the mines to warrant large payments in view of the fact that the companies themselves did not improve the working and safety conditions of the mines as they should have done. The result was that the miners who were compelled to work in these mines were working under a great handicap and in great danger. Whether the problem can be solved by the payment of subventions remains to be seen. I believe that by setting up this corporation the government would lead one to believe that subventions would be the solution. Whether that will prove to be true I am not certain, but I am certain of this, that whatever method the government intends to use to try to solve our coal problem it will have to see that steady employment is given in the mines. The solution will have to be one under which the miners themselves will be assured of steady employment the year around with sufficient income to keep them in a decent standard of living. That is fundamental. Whether it can be done by subsidy or by subventions I am not sure. It is a certainty that one of the great problems which we find in the west particularly is that of the long transportation haul.

If my memory serves me correctly—and I have hauled a great deal of coal—the mines in Alberta can produce coal at somewhere around $3 a ton. If you go out to the western part of the province in the foothills, I am told by good authority that coal can be put on the cars at around $1.50 a ton because, as the hon. member for Calgary West has indicated, of the great seams of coal in the banks. But whether it is $1.50, $2 or $3 a ton, the point I wish to make is that by the time the coal reaches Ontario there is a vast difference in the price. It jumps from the prices I have indicated to around $15, $16 and $17 a ton. I would assume that the difference is made up in transportation costs and so forth. Whether that can be overcome or not is a problem which remains for the government to solve.

As I have pointed out on many occasions, I think we missed one of the greatest opportunities this country ever had when during war time the government did not see fit to adopt the suggestion that some of us from the west made, namely, to create some industries out where this coal is to be found. If some of our larger industries were encouraged by the government to go out and establish themselves where the fuel is, it would be one of the things which would go a long way toward solving the problem which faces us. It is an easy matter to transport labour into the different parts of the country, much easier

than shipping coal these long distances. It seems a strange thing that a country so vast as Canada should have all its major industries centralized in a comparatively small area. In time of war particularly, that is a dangerous state of affairs. From the point of view of safety of the country, it would be a great advantage to have our larger industries scattered throughout the dominion. That is something which should be looked into by the government, and in way it might ease the subvention problem. I am certain of one thing, namely, that when the plan is made the government should pay particular attention to putting the mining industry on a solid and firm business foundation. We remember the days of the depression when the miners worked only 100 days a year. It is true that, while they were working, they received fairly good pay. I remember that when I was teaching in the mining district of Evansburg west of Edmonton—I spent quite a few years out there—the miners worked approximately 100 days a year. One would have to get exceptionally high wages, which they did not get, to carry him over a full year. That is one of the things that the miners fear today. They fear that the season will be extremely short for them, and they are looking ahead to the time when a depression will come upon them.

No matter what the government does, it must see to it that the operation of the mines will be such that the miners will earn enough to carry them over a full year. This will be a big job. I had hoped that when the commission brought down its report there would be something concrete in it for the government and for hon. members to go on in formulating a national fuel policy. I am extremely sorry to see that, in my view, the commission did not so report. The responsibility is on the government. I myself am not convinced that the shifting of the responsibility for this problem from the government to the corporation will be a solution. Something more concrete will have to be done. Nevertheless, when the bill comes down we shall see what is provided in that regard. Until the bill comes down I shall refrain from making any further remarks.

Mr. HARKNESS: Like other speakers who have taken part in this debate, I was greatly disappointed to find that the report did not indicate any national fuel policy or even point out any avenues by which we might reach a satisfactory policy in that regard. I think we all agree that in this country we need a policy which, first, will keep the mines working the year around and, second, will make the country as self-sufficient as possible in coal. In this connection I have thought that we in Canada should do a great deal more in the matter of research to find means to reach these goals. I do not know just what amount of research is being carried on to discover new uses for coal. There is in Ottawa a small plant which carries on a certain amount of research, but I would suggest that plants should be established at the mines and that this is a matter which should receive a considerable amount of attention over and above what it has had so far.

Many people think the eventual solution of our fuel problem, in view of the fact that we have coal at the extremities of the country and none in the central parts where coal is most needed, will take the form of liquefication of fuel. I should like the minister to indicate what is being done in the matter of research into the possibilities along that line, how far they have been explored, and whether there is any idea of establishing pilot plants to devise new uses for coal at the mines on a sufficiently reasonable scale to ascertain whether such operations would be practicable and economic. The establishment of this coal board as called for by the resolution would seem to me to result in considerably increased expenditures without, so far as we have been able to find out, any real improvement in the way in which things are carried on at present.

Before we get through with the bill, we should have some information from the minister as to what the increased expenditure will be as a result of the setting up of this board. I should think it would be considerable, and unless there are reasons which can be advanced to show that a great improvement in the whole coal picture can be brought about by the board, and savings effected by it, the increased expenditure is not warranted.

Mr. COLDWELL: May I say a word on this? We, of course, are supporting this resolution that stands in the name of the Minister of Reconstruction and Supply, but I hope that the appointment of a board of this description will not be considered to have solved the problem. You cannot solve a problem by merely appointing a board. The board has to do more than just sit.

I agree with what the hon. member for Bow River has said, and I do not want to repeat what he has said, that the solution of the problem depends in great part on the manner in which we can place the industry on its feet, provide the people working in that industry with a decent standard of living, and utilize our resources for the benefit of the country as a whole.

This is, of course, a phase of economic planning. It frequently comes before the house in various forms, but it indicates over and over again that we must get down to a consideration of plans. The hon. member for Calgary East indicated that clearly when he spoke of the necessity for going into various methods of utilizing coal in new ways. As we know, in European countries over the past number of years a great deal of low grade coal has been utilized for all kinds of new purposes. With our hunt for oil, gasoline and so on, perhaps economic and cheap methods can be found by means of research, of producing gasoline and motor fuels from coal, besides the hundred and one things that we know are derived from that product. I have been surprised in years past to discover the number of products obtained from coal, such as dyes, sweetening material, flavourings, medicines and the thousand and one things one had no conception of before.

Mr. SMITH (Calgary West): The Germans fought the last two years of the war on gasoline produced from coal.

Mr. COLDWELL: That is right, and a good deal of it was a very low grade of coal, brown coal from eastern Germany. That was the basis for a great deal of their gasoline. We in this country are blessed with an enormous quantity of coal. I have seen various estimates of the quantity of coal we have in Canada, sometimes the estimate being put at one-eleventh and sometimes one-fourteenth of all the known coal in the world, and that Canadian coal is in the area we now know as the coal-bearing region of Canada.

Everyone in this house is anxious to see this board established, but it must function so that we may have, not only a coal policy, but a national fuel policy for a country which needs fuel very badly indeed at most seasons of the year.

Mr. HOWE: The hon. member for Calgary West asked a pertinent question. Freely translated, his question was, why is a dominion coal board any better than the dominion fuel board? The answer is that the coal board will have much wider terms of reference. I was a member of the dominion fuel board from 1935 until it was succeeded by the emergency coal production board in 1942, and therefore I know something about its workings in that period. The board was called together perhaps four times a year. There was an efficient manager or secretary—

Mr. GREEN: Who did all the work.

Mr. HOWE: —who did all the work. The board set the policy; he continued as long as he could under that policy, and then devised another policy and called the board together to approve the revision. At the end of the year we approved an appropriate estimate for the new fiscal year. The work of the board was wholly confined to carrying out the subvention policy which was formulated in 1922 and carried on with modifications until 1942.

It has been said that the subvention policy has been satisfactory, but that does not mean that it has been the cure-all for Canada's coal problem. It was a subvention policy which allowed coal to move from the maritimes into Quebec and sometimes into Ontario and, more recently, allowed a small tonnage of coal to move out of western Canada into northern Ontario. However, hon. members are aware that the subvention policy did not prevent the coal mines in the maritime provinces from being reduced to a working week of three days in certain years in the thirties. They know also that the subvention policy did not make for continuous employment in western Canada in certain periods. In other words, it was a good policy as far as it went, but it did not solve all the nation's coal problems.

Mr. SMITH (Calgary West): No one worked full time in the thirties. Isn't that the answer?

Mr. HOWE: Some of us did. I did myself, and I think my hon. friend was fairly busy.

Mr. SMITH (Calgary West): Dodging the sheriff.

Mr. HOWE: There are several coal problems. Subventions helped in the marketing problem. They have helped to dispose of coal and they help indirectly in the problem of finding continuous employment for miners. But there are limits to their effectiveness. For example, it would seem reasonable that by subventions the practice suggested by the hon. member for Calgary West would be effective, and that it is lack of money that prevents us from using Alberta coal in Toronto. That is not the situation. The physical capacity of our railroads to move western coal into Ontario is limited to about 1,000,000 tons, and with all the money that we could use in 1947 the quantity we were able to move into Ontario was not much more than half that.

Mr. GREEN: One million tons a year.

Mr. SMITH (Calgary West): I mentioned North Bay, not Toronto.

Mr. HOWE: That does not matter. When it gets to North Bay it may as well continue to Toronto so far as the limitation of transportation is concerned. Western coal can be moved fairly freely in July and August, but

those are not months in which people buy coal, for domestic use at any rate. In September, October, November and usually in December, when people are buying coal, there is a tremendously heavy eastbound movement of wheat, which not only takes all the boxcars and rolling stock the railways can put into western Canada but also keeps railway operation at a very high level. That is the situation affecting western Canada.

However, the same situation does not apply in the maritime provinces. While the St. Lawrence river is open, it is possible to move into central Canada any quantities of coal which the maritimes have as a surplus. Therefore the subvention policy is a substantial help in solving two of the problems—that is, the problem of finding markets and the problem of maintaining continuous labour—but it does not help materially in solving the problem of Ontario and Quebec, which is one of obtaining the necessary supplies of coal from one source or another, and very largely from outside this country.

Mr. JOHNSTON: Can the minister say what is the cost of transporting a ton of coal from Alberta to Ontario?

Mr. HOWE: I cannot. The government provides a subsidy of $2 a ton and the coal moves with that subsidy. Whether or not the railroads break even on the movement, I cannot say.

Mr. JOHNSTON: Is it possible for the government to find out?

Mr. HOWE: It all depends on what is considered as cost. If cost is calculated as the cost of supplying a few extra boxcars on the end of a freight train which has to operate anyway, that is one cost. If it is calculated to include interest and depreciation on the roadbed, that is another cost. It is difficult to segregate railroad costs as between commodities.

Mr. SMITH (Calgary West): Is that not being done to the south of us? The railroads there are working on a cost basis, under the interstate commerce commission.

Mr. HOWE: They may have broken the costs down, but I would not attempt to do so. Therefore I say I do not know.

Then my hon. friend asked why this commission should take the form of a corporation. I shall have to get a more satisfactory answer to that question than I can give offhand. All I can say is that for a commission to operate and do business it seems to be necessary that they be formed into a corporation. All the commissions I know of that operate around Ottawa are formed into corporations; for example, the national research council is a corporation; as is the national harbours board. I could mention others. I do not know why, other than that a corporation is a convenient form. It provides convenience of accounting and an accepted pattern for doing business that is lacking when three men simply form themselves into a committee. The old dominion fuel board was a committee. It met a few times a year. Our efficient secretary told us what we should do, and we felt no particular responsibility except giving the decision of the moment. A corporation is required to meet at regular intervals, and has definite responsibilities which confine its activities more directly to the problem in hand.

Mr. HARKNESS: The pension commission does that without incorporation.

Mr. GREEN: And the war veterans allowance board.

Mr. HOWE: That may be so.

Mr. SMITH (Calgary West): The minister is going to get a better answer than that, and he will need one.

Mr. KNOWLES: It is similar to the maritime commission which was being set up yesterday.

Mr. HOWE: That is right.

Then a question was asked about the geographical aspect, whether the committee would be appointed representing geographical sections. There are other factors to be taken into consideration. For instance, we shall need men with mining experience and men with marketing experience. The point is that the board should be representative of the problems of the various areas of Canada; the nature of the appointments must be both geographical and functional. Those considerations will be taken into account.

Mr. BROOKS: Can the minister tell us how many will constitute the board?

Mr. HOWE: It will be a board of seven, of which only one is a full-time member. The others will meet at regular intervals, as provided in the act.

Mr. SMITH (Calgary West): He is like the secretary of the old fuel board. He will run it.

An hon. MEMBER: With more latitude.

Mr. HARKNESS: And will get paid twice as much, no doubt.

Mr. HOWE: Well, I do not know about that.

Then there was the question raised by the hon. member for Broadview which is also a pertinent one: Why not include other fuels in the responsibilities of the board? I will admit at once that there is one other fuel which might very well be included, namely, liquid fuel. The position of liquid fuel is very similar to that of coal, in that the larger part of Canada's requirements must be procured from outside. We are facing two difficult years, in so far as fuel oil is concerned. The shortage in fuel oil for next winter will be serious indeed and is likely to cause serious difficulties to a great many people. When the bill is before the house, I think I may offer an amendment to it. At the moment the bill confines itself to coal. I may offer for the consideration of the house an amendment which will include liquid fuel. I will not, however, press the amendment unless it meets with general acceptance.

There are certain aspects of gas as fuel which are interprovincial. On the other hand, the provinces have the gas problem well in hand and, I think, are better able to handle it than a central board would be.

A good deal of research has been done on coal. Roughly, I think the result of that research on this continent is to discard the hydrogenization method of producing gasoline from coal, as being too expensive to be practical in the near future. The major oil companies in the United States have conducted active research into that problem for a good many years. Recently they have discarded that line of research, and are now devoting their research toward making gasoline out of natural gas. That seems to be quite feasible. I think research on that problem would be of great interest to Canada in view of the large surplus of natural gas which is at the present time being produced in western Canada. However, it will be the duty of the coal commission to initiate research into coal and into fuels and to pursue any avenue which may open up in that direction.

I think I have said sufficient for the resolution stage, Mr. Chairman, and would ask that the resolution be adopted.

Mr. KNOWLES: Will the board be responsible to the minister and, through him, to parliament?

Mr. HOWE: Yes.

Mr. KNOWLES: To what minister?

Mr. HOWE: At the moment the responsibility for coal is in the Department of Reconstruction and Supply. In time, I presume it will go to the Department of Mines and Resources.

[Mr. Howe.]

Resolution reported, read the second time and concurred in. Mr. Howe thereupon moved for leave to introduce Bill No. 340, to establish the dominion coal board.

Motion agreed to and bill read the first time.

PRAIRIE FARM ASSISTANCE

CROP FAILURE PAYMENTS—AWARDS TO FARMERS WITH MINIMUM PRODUCTION

Right Hon. J. G. GARDINER (Minister of Agriculture) moved that the house go into committee on Bill No. 261, to amend the Prairie Farm Assistance Act, 1939.

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

On section 1—Definition of "crop failure."

Mr. GARDINER: This bill has been before the committee on agriculture, and every section has been read carefully. The committee suggests three amendments. The first is to section 1, subsection 3, paragraph (e): that in the second last line the word "farm" be inserted between the words "cooperative" and "association".

Mr. HOWE: I so move.

Amendment agreed to.

Section as amended agreed to.

On section 2—Sum awarded as assistance.

Mr. GARDINER: There is an amendment in line 26 of the bill: that the last word in the line, "continuously", be deleted.

Mr. SMITH (Calgary West): Does that come from the committee?

Mr. GARDINER: Yes.

Mr. HOWE: I so move.

Mr. BRACKEN: Were those decisions pretty well unanimous?

Mr. GARDINER: Yes, they were unanimous.

Amendment agreed to.

Section as amended agreed to.

Section 3 agreed to.

On section 4—Regulations.

Mr. GARDINER: There is an amendment to this section; that the word "farm" be inserted between the words "cooperative" and "association" in paragraph (b). It is the same amendment that was made to section 1.

Amendment agreed to.

Section as amended agreed to.

Section 5 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

CRIMINAL CODE

RACE MEETINGS—ADMINISTRATION AND SUPERVISION OF PARI-MUTUEL BETTING

Right Hon. J. G. GARDINER (Minister of Agriculture, for the Minister of Justice) moved the second reading of Bill No. 268, to amend the criminal code.

He said: This is a bill which comes from the senate, where it has already been fully considered. It contains three amendments of importance, one on page 1, the second on page 2, and the third on page 3. The first has to do with an amendment we put through the session before last, I think it was, based upon actions taken during the war. Many years ago, I believe in 1912, a bill was brought in limiting horse racing, and allowing so many days each year on certain tracks. When that bill was brought in it was declared that all charters then in existence were continued in existence. During war time provision was made to transfer racing from tracks which were being used for other purposes for the time being to certain other tracks. Permission was granted for the transfer of perhaps seven days of racing from one track to another, and that was continued under legislation brought in two sessions ago.

In administering the act we discovered that some persons apparently found it was possible to make some profit by utilizing old charters, many of which had not operated since some time before 1912, and claiming the right to have seven or fourteen days of horse racing on the basis of those charters by transferring that racing from what had been an operating track at one time to some other track. When these requests were coming before me from time to time I finally concluded that I should not permit these old charters to be utilized for this purpose. So it was decided to bring the matter more up to date and to eliminate the possibility of using these old charters to transfer racing from one track to another, by stating that old charters not operative between January 1, 1938 and May 19, 1947 could not be used for the purpose of transferring racing from one track to another.

The second matter has to do with the holding of eight races daily under a charter. The old act provided that there could be eight races, one of which had to be a steeplechase. Very few horses in Canada are trained for steeplechasing, and the provision now is that of the eight races one may be a steeplechase, though not necessarily so.

The other provision makes it possible for trotting races to be held in the evening or under floodlights, as well as in the afternoon. These are the three main provisions. The bill has been through the senate, where it was carefully considered, and I submit it for second reading.

Mr. KNOWLES: Six o'clock.

Mr. MACKENZIE: Perhaps I might tell the house the business for the evening. We shall continue with the bill my colleague the Minister of Agriculture was just discussing; then order No. 25, the bill to establish the Canadian maritime commission; then supply in agriculture and national health and welfare, and we hope to finish them all tonight.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. SPEAKER: The question before the house is the motion by Mr. Gardiner for the second reading of Bill No. 268.

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

On section 1—Betting, pool-selling and bookmaking.

Mr. FLEMING: There is one point upon which I wish to have the minister's assurance. He will recall that when the amendment of 1946 was before the house a question was raised concerning the rights of certain associations which were holding races. I should like to be clear that in the present bill there is nothing which impinges upon the rights which were carefully preserved to those associations in 1946. The minister will recall that representations were made at that time by some of these associations which felt that the form in which the amendment of 1946 was being introduced would have the effect of depriving them of some of their rights. In the form in which the bill was finally adopted those rights were carefully preserved.

Mr. GARDINER: There is in this bill nothing which impinges upon the rights which were jeopardized when the bill came here from the senate the last time. It will be recalled that that bill was changed somewhat in this house and it is in the same form now.

Mr. HARKNESS: What is the effect of the changes which are being made. I refer particularly to those at the end of paragraph (b) of section 1.

Mr. GARDINER: The amendment provides that trotting and pacing races may be held in the evening under floodlights.

Mr. HARKNESS: I was referring to the words "betting" and "system" which appear at the top of page 3 of the bill. Apparently it is provided that betting must stop before the horses have passed a certain point.

Mr. GARDINER: They are just clarifying amendments to agree with what is now being done.

Mr. McKAY: Why are not other types of racing such as dog and automobile racing included in this bill?

Mr. GARDINER: The only explanation I can give is that the government decided that at this time we should not provide for further pari-mutuel betting in Canada.

Section agreed to.

Bill reported.

MARITIME COMMISSION

PROVISIONS FOR DUTIES AND FUNCTIONS UNDER CANADA SHIPPING ACT

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply) moved the second reading of Bill No. 336, to establish the Canadian maritime commission.

Mr. GREEN: Mr. Speaker, on a point of order, I am amazed that the government should try to have second reading of this bill this evening. As Your Honour knows, the resolution went through late last night; when it went through I asked the Minister of Reconstruction whether we would have some time to consider the terms of the bill and I think I mentioned at least two or three days. His answer was, "Oh, yes; that is quite all right." There was no suggestion of the bill coming on for second reading today. I did not get my copy until I was sitting here this afternoon when it came through the mail. There was absolutely no chance to consider it this afternoon and we have just had the supper recess. There has been no opportunity for any of us to prepare to debate the bill.

Furthermore, I understand that it has not yet been printed in French. Just this evening I sent out for a copy in French and the report came back that the bill was not yet available in French. I submit that that alone makes it impossible to have second reading this evening. This is an extremely important measure for us who come from maritime ridings, and I submit that second reading should not be called this evening.

Mr. SPEAKER: If hon. members want to discuss the bill on the second reading, if I were to put the motion for second reading it would then be open to any hon. member to move the adjournment of the debate.

[Mr. Gardiner.]

Mr. GREEN: But my point is, Mr. Speaker, that the government should not be asking that this bill be called for second reading this evening.

Mr. HOWE: The leader of the house announced at six o'clock that the bill would be proceeded with this evening and I had understood that there was no objection. However, the government has no desire to press the matter if hon. gentlemen are not ready for second reading now. This is a simple bill, and easily understood.

Mr. GREEN: It is a blank cheque bill.

Mr. HOWE: For everything except money.

Mr. FRASER: There is money involved.

Mr. HOWE: I have no objection to calling another order, Mr. Speaker. We will take supply, Department of Agriculture.

Mr. CRUICKSHANK: On a point of privilege, we were told that we would get the old age pensions bill this evening.

Mr. HOWE: That will be on the agenda for tomorrow.

Mr. CRUICKSHANK: But when shall we get the bill so that we may know what we are discussing?

Mr. HOWE: I am not in charge of that bill and I cannot speak as to that. But the convenience of hon. gentlemen will be considered.

Motion stands.

SUPPLY

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

DEPARTMENT OF AGRICULTURE

Marketing service—

25. Dairy products, $514,340.

Right Hon. J. G. GARDINER (Minister of Agriculture): Probably it would assist the members of the committee and perhaps shorten the discussion if I were to call attention to the items under "Demobilization and Reconversion—Agriculture", on page 68 of the estimates. They are items, 485, Agricultural Prices Support Act; 486, agricultural supplies board; 487, programmes to encourage the production of essential supplies; 488, feeds administrator; 489, fertilizers and pesticides administrator; 490, seeds administrator; 491, dairy products board; 492, meat board; 493, special products board. I call attention to these items, because discussion on the contracts with Britain should come under these items which we shall proceed with when we

have finished with the items on marketing and specials; or we could take the items on page 68 first, whichever is desired. I mentioned that to facilitate the discussion of these items, which are, after all, the general items we have always had in connection with marketing even before the war.

Mr. CHARLTON: Since we were debating cheese last night I think we should continue with that discussion. In his remarks last night the minister gave us the number of cheese factories in Ontario as follows: in 1943, 561; in 1944, 556; in 1945, 547. The hon. member for Lanark gave us the figures for 1946 for eastern Ontario by saying that twenty-three cheese factories had been closed down in the eastern part of the province. That makes at least thirty-seven fewer cheese factories in Ontario than there were in 1943. But in spite of that, the minister insists that the lateness of the season was the main reason for the reduced production of cheese. Let me quote his words at page 4225 of *Hansard:*

I should repeat what I said earlier in the discussion. Cheese production is a month late this year because of the nature of the season. That in itself largely accounts for the fact that cheese is down as compared with butter. My hon. friend shakes his head, but I have heard him use the argument time after time since he has been here in the house that price has something to do with this. Everyone admits that cheese is higher in price than butter at the present time, and much higher. If price is the only thing that counts, or the return that the farmer can get for it, then cheese production should certainly be higher. But everyone who knows anything about farming in Ontario knows the production season is at least a month late. A month or a month and a half from now we could make a much more valuable comparison than we can at the present time.

The lateness of the season should have nothing to do with the freshening date of cows and that is what controls the production of cheese in Ontario. Cows are largely milked during the summer months and dried during the winter months. Pasturage has been very good this spring. So that the lateness of the season has very little to do with the reduced production of cheese. The minister says that I shook my head last night. I still insist that price is the main factor in the reduced production of cheese and I make no apology for bringing that fact before the committee frequently. I think the minister is from ten to eleven months out in his theory, because for most of Ontario the production season will be almost one year late, for very few farmers have crops in now.

Cheese has been one of our main exports for many years, and it is an important factor in the dairying industry in this country. It has been the best outlet for our surplus milk products to date. I think the minister should be fair with us and admit that price is the main factor and he should not try to blame the reduced production on the lateness of the season. He should do something with respect to our lucrative export market for cheese.

Mr. CRUICKSHANK: When the ceiling was taken off butter, cooperatives and other organizations were told the date-line on which their prices would be set. In other words, they could not take advantage of any price increase.

Mr. GARDINER: That was at May 1, yes.

Mr. CRUICKSHANK: What I am getting at is this, many of the cooperatives or other organizations, whether private industries or cooperatives—I am interested in cooperatives —had a lot of butter on hand. I do not know why we should not be permitted to take advantage of the increase when, according to this morning's press, a man named Bickell made $4 million or $5 million in one year on gold. He defies the government and says that he will take the increase in price. Will farmers be put in the same position if they defy the government? In other words, will they get away with it, or will they be sued? I am interested in Mr. Bickell of Toronto if he gets away with making $4 million or $5 million and hoards his gold, and I should like to know why the farmer is not allowed to take advantage of the profit that will be derived in an increase in the price of butter.

With regard to butter the government set a date-line and above that date-line you could not get the advantage of the profit that may be derived from the butter. As I say, according to this morning's press, this man Bickell in Toronto says he will hoard the gold and take the increase. I want to know what the Department of Agriculture is going to do to see that the farmer gets the benefit of the increase.

Mr. GARDINER: The announcement that was made in June was made for the purpose of protecting the farmer. The butter which was dealt with in that announcement was not in the hands of the farmer; it was in the hands of the person or organization that stored it. That organization might be a farmers' cooperative, or it might be that the creamery which was holding the butter was operated by farmers. But if it were, it would be possible for it to benefit to the same extent as others benefited. The fact is that the undertaking given was that if a group of persons who were storing butter had, at that time, some six or seven million pounds they would not be allowed to take advantage of the increase which was made at that time in the

price of butter, that is, the ten cents that it was increased by the action which was taken by the government. That advance in price would not be given to the persons who were holding the butter. The government declared it would provide means whereby those storing the butter would not be permitted to gain.

Mr. CRUICKSHANK: This is important to my province. In my section we have a large cooperative of which I am a member. We have a large amount of butter in storage. Some of my own colleagues in the house told me that I wanted to profiteer as a cooperative on the butter in storage because of the increase in price. This butter was produced by the farmers themselves. It is our own butter, and we have it in storage in our own cooperative. If we are to be told that there is a date-line and for the sake of argument butter was selling at forty cents a pound, and then went to fifty cents a pound, but we cannot take advantage of that, but we must go back to the forty cents a pound on our own butter, and if at the same time this man Bickell in Toronto, who made $5 million or $6 million profit in one year on gold, says that he is going to defy the government, according to this morning's press, I for one wish to protest. He said that he was going to hold the gold, and his only excuse is that the government knew he had the gold. The government knew we had the butter. Do not make any mistake about that. The government knew how much butter we had to the pound. The statement which the minister has given is not good enough so far as I am concerned. I knew what the minister would say long before he said it, but I want to know whether the farmers of the Fraser Valley, in whom I am particularly interested—and the same applies to farmers all over Canada—are to be held to a date-line and told that they cannot take advantage of a rise in price. I know that the Minister of Agriculture has nothing to do with gold; it comes under the finance minister; but, so far as I am concerned, the Minister of Agriculture is in charge of and is responsible to the farmers of Canada for everything pertaining to agriculture.

Mr. GARDINER: What really did happen was that the government had already paid the farmers 8½ cents on their butter, or ten cents a pound on their butterfat. They had already paid that to every farmer in Canada, including those in this cooperative. The only action the government took was to make it impossible for someone who happened to have butter on the first of May to make another 8½ cents or ten cents a pound on it. It would not have been the farmers who would have benefited.

Mr. DROPE: The Minister of Agriculture has just made a statement about the 8½ cents paid on butter. He said it was already paid and it was a matter of the government protecting the people and recovering a portion of it from the persons who were holding the butter.

I should like to ask the minister a question about cheese. This afternoon when I asked the question the minister said that we would get an answer tonight. What is the policy of the government in regard to these overseas contracts for cheese? Does the government propose to requisition cheese to fill these contracts? That should be cleared up so that the cheese producers will know where they stand in this matter. An answer to this question would probably clarify the whole dairy picture, since so much depends on cheese, a product which is exported. Will the minister make a statement?

Mr. GARDINER: If the hon. member would not mind, the item under which that is dealt with is 491, dairy products board. If the discussion on it could be left until we reach that item I shall discuss it fully then.

Item agreed to.

Marketing service—

27. Fruit, vegetables and maple products and honey, including grant of $5,000 to Canadian horticultural council, $785,000.

Mr. HERRIDGE: What is the present position with regard to the export of tree fruits this year?

Mr. GARDINER: The present position with regard to tree fruits is this, and particularly with regard to apples: the bill that we put through earlier in the session made it possible for the government so to arrange that an agreement could be entered into with Britain to take a certain percentage of our apples this year. The board that is concerned with that matter, which we undertook at that time to work through, had discussions with the government shortly after the measure was put through the house and suggested that it would like to have a contract entered into as between Britain and the special products board which had negotiated similar contracts before with regard to other products. The matter was taken up with the representatives of the British food ministry, and it was suggested to us that the time was not opportune to discuss the matter. That was in the early part of May; it was not known

then what the condition of the British apple crop would be, nor was it known what the condition of the Canadian apple crop was likely to be, and they preferred to have the discussions opened at a later day. I expect that these discussions will take place in July. We have not carried the discussion further because we did not think the time was opportune to press it any further. There is a perfect understanding as between the apple board and the government with regard to the matter.

Item agreed to.

Marketing service—
28. Live stock and live stock products, $795,199.

Mr. CHARLTON: Does the minister wish to discuss pork and bacon products on this item or on item 492?

Mr. GARDINER: No; on the meat board item.

Mr. CHARLTON: Not under this item?

Mr. GARDINER: No.

Mr. HERRIDGE: I should like to ask a question. In 1945 I brought up the question of the Kootenay poultry producers who wish to have an inspector appointed in the interior of British Columbia. The minister said that the staff was not available and that he was looking into the matter. I brought it up again in 1946 and received a similar reply. During this year the poultry producers of Kootenay West intend forming a cooperative egg grading station to be established at Nelson, which would perform a useful function for all poultry producers. There has been a steadily growing poultry industry there. Some of the minister's officials have complete knowledge of the situation. Again, on behalf of the poultrymen, I urge upon the minister the necessity for an egg inspector to be situated in the interior of British Columbia. I would like him to say what is being done in that respect now.

Mr. GARDINER: My information is that it is now under consideration. I am not able to state anything more definite than that with regard to it. It is being given consideration at present by the officials.

Item agreed to.

Marketing service—
29. Marketing of agricultural products, including temporary appointments that may be required to be made notwithstanding anything contained in the Civil Service Act, the amount available for such appointments not to exceed, $15,000, $25,000.

Mr. SMITH (Calgary West): I was wondering why this should be $25,000?

Mr. GARDINER: As regards appointments made outside the civil service, the amount with which to pay them cannot exceed $15,000 out of the $25,000. The remainder would have to be utilized through expenditures carried on under appointees of the civil service commission. We did not use it to any great extent during the war, but the reason for it is that we desired, in connection with marketing, in such matters as were referred to last night and again shortly today, to send to Britain men who were officials of farm organizations in order that they might obtain first-hand information as to what type of product was required there, and also acquaint the British with the nature of production here and gain knowledge as to any improvements that could be made so as to meet their requirements. We did send two or three such parties to Britain prior to the war, and it is anticipated that we may send some now that the war is over. They are not civil service appointees; the appointments are made by the government from among the farm organizations.

Mr. SMITH (Calgary West): I was just wondering what it was.

Item agreed to.

Special—
30. Prairie Farm Rehabilitation Act and water storage, $3,000,000.

Mr. MacNICOL: I rise to support this item as strongly as I possibly can, as well as the one following it, for they go together. I am disappointed that it does not call for twice as much, $6 million instead of $3 million. I am afraid that the minister is a bit timid, although I wish to thank him for going as far as he has gone. Coming as he does from the west and having his heart in the west, as I believe he has, he could easily, I am sure, have envisaged an expansion that would have taken at least $6 million instead of $3 million. For that reason I am disappointed that the amount is not much larger. Of course, I notice that under item 570 there is an amount of $5 million, but it does not say where that $5 million is to be spent. If it were to be spent under the Minister of Agriculture I would be confident that a good portion of it would go to the west. Since it is not in his department, I fear the west will not get its proportion out of it.

I am not going to speak at great length tonight, because I have spoken on this subject before, but this year will commemorate

a wonderful event. On July 24 next, in the city of Salt Lake, Utah, will be commemorated the hundredth anniversary of the inauguration of irrigation on the continent of North America. Two days before the 24th of July, 1847, namely on July 22, the Mormon brigades were approaching the future site of that city. The leader of the Mormon brigade, Brigham Young, sent forward two or three men, led by Orson Pratt, and told them that when they arrived in the valley they were to dam a river flowing out of the mountains into that valley. The leader of the Mormon brigade himself and a major portion of the party arrived on the 24th, and this year that arrival will be celebrated by a great demonstration at a large monument which has been erected in Salt Lake City and which I hope myself to see late in October when I am on my way to the national reclamation association's meeting at Phoenix, Arizona.

That event inaugurated irrigation on the continent of America, and within two or three days after July 24, 1847, five acres had been reclaimed and put under irrigation. With them it was an absolute necessity. The season was late, but of course the climate was favourable. The soil was exactly the same as we have in Alberta and Saskatchewan, wonderful soil that will grow anything, but it was without water. They began at once to work; they worked very hard, and in the ensuing eighteen years, that is to say up to 1865, they had constructed over 1,000 miles of irrigation canals and had reclaimed roughly 150,000 acres of land.

The results have been phenomenal. Anyone who knows Utah knows it is largely a mountainous state, with tremendous mountains and a few valleys, one of which is the great Salt Lake valley; yet, although it has only an area of 84,000 square miles—that is not a large area—the population today is about 550,000. That is a remarkable demonstration of what can result from an irrigation programme, and I am convinced that the same results would accrue in both Alberta and Saskatchewan if this house would support the minister—I believe it would—in an endeavour to inaugurate a programme comparable with what has been accomplished over there.

Last fall I had the high honour—it was a high honour to me, a very humble person—to be invited by the national reclamation bureau of the department at Washington to attend a function at Omaha, at which I learned a great deal about the tremendous results, beneficial results they have been too, that have accrued throughout the seventeen dry western states by water conservation and irrigation. There are seventeen states that are afflicted with low moisture, like our own western provinces. When the function was over I was invited to go with a body of engineers and statisticians, which I was glad to do, to survey the great improvements in the valley of the Platte river. The Platte river is very much like the Saskatchewan river. It has two great branches, the North Platte and the South Platte. They both rise in the mountains and join away down in Nebraska, flowing into the Missouri river, much like the Saskatchewan. We have two great branches rising in our own Rocky mountains and flowing down, joining in the province of Saskatchewan and on into Lake Winnipeg.

I am in deadly earnest in my desire to do anything I can, as long as I am in public life, to assist in the reclamation of the western provinces and to further the whole economy of those provinces. And it can be done through irrigation. On that journey up and down the Platte river valley we ascended right up into the mountains. There were reservoirs 10,000 or more feet high up in the mountains on the North Platte particularly, and on the South Platte about 12,000 feet high in the mountains, to the everlasting springs from which the water rises and flows on down across the prairies. Many gigantic dams and reservoirs have been constructed there. I am not going to describe them as I should like to do, because I do not want to hold up the minister's estimates. On the North Platte, in the mountains, there are four gigantic dams. Up in the mountains themselves there are three gigantic dams, and there is one down in the foothills, namely, the Seminoe, the Pathfinder, the Alcova, the Kingsley and the Guernsey. The first three reservoirs conserve about 2,500,000 acre feet of water which is being used down on the dried-out prairies; the fourth, the Kingsley, contains over 2,000,000 acre feet of water; the next one, the Guernsey, contains about 50,000 acre feet. I am sure that altogether on the North Platte over 5,000,000 acre feet of water are contained in the reservoirs for irrigation purposes. On the South Platte something marvellous has been done.

I must confess that I am not in favour of diverting water from one watershed into another, but what is done in the United States is not for me to criticize. However, a branch of the Colorado river was diverted and the water taken through the high mountains, through a thirteen-mile tunnel. The amount of water taken through there is 550 cubic feet per second. It is pumped up to the level of the tunnel. Once through the mountains, it goes down 2,900 feet, passing through five power-houses on the way. In the course of its descent it produces 250,000 horse-power,

part of which, namely, that from the first power-house in the foothills, goes back over the mountains to supply the power that pumps the water up. It is the only place I know of where perpetual motion is achieved as a result of electricity.

East of the mountains themselves there are three large reservoirs, the Horsetooth, Carter lake and Flatiron. These three together conserve water which comes through the mountains to the extent of 350,000 acre feet. From them the water flows out through the irrigation canals. The transformation there has been stupendous. I should like it if this whole house could be taken to the Platte basin so that they could see with their own eyes the marvellous transformation which has been made in those three states of Colorado, Nebraska and Wyoming; they are states which are just as dry as the driest part of southern Alberta or the driest part of Saskatchewan. In many cases the water must be pumped up. It can be done in Saskatchewan. When I was making a survey between Elbow on the Saskatchewan and Moose Jaw and Regina, someone asked me if the water could be pumped up to irrigate the higher areas. It could be. It has been done over there in the United States, and the results have been stupendous.

In a word, what are the results? If one travels west across our own prairies, after leaving Winnipeg the next place of any consequence is Portage la Prairie, and then Brandon. Then you go a long distance until you come to Regina. From Regina the next place is Moose Jaw. Then you go another long distance to Swift Current. Then from Swift Current you go to Medicine Hat where you enter a really dried-out area. It is pitiable to see the territory around Medicine Hat; it is magnificent land but without water. Then, after another long distance, you come to Lethbridge. That, I believe, is somewhere near 800 miles, using an arbitrary number, in which we have those few cities, every one of them struggling for life, except Lethbridge, because the country roundabout, although it is productive, lacks water. It may have a good deal this year, but we cannot count on years like this. We have too much water in Ontario this year, but we do not want to count on this very often.

In the same distance, Mr. Chairman, in the Platte basin there are forty fine towns and cities. All of them are rich; all of them are growing and all of them are extremely prosperous. All roundabout is an agricultural area the like of which I never saw before. If one drives into any of these cities in the Platte basin, what does one find? Take, for instance, Scottsbluff. I suppose very few hon. members have ever heard of Scottsbluff, but I drove into it at night time from another city on the prairies called Alliance, and I thought I was going into New York city. for ten miles out of Scottsbluff every farmhouse, barn and farmer's yard were lit up. I asked the chauffeur, on one occasion when we were about eight miles out of Scottsbluff if we were in the city. "Oh, no," he said, "we have eight miles yet to go." That power is produced as the water tumbles down from one level to a lower, so that not only do they have irrigation which produces tremendous crops and provides ample fodder for all their large herds—and their herds are extremely large—but it produces electric power. We can do the same thing in the west.

If one wants to see a demonstration of what is being done in the west in the way of power production, he just needs to start at Banff and go as far as the city of Calgary. I believe the company is called the Calgary Power Company. The water coming down the Bow basin passes through three, if not four, power-houses and produces a great deal of electricity. That can continue on down the river. Much of these prairies can not only be irrigated and at least three to five million acres reclaimed but can be lit up. I know of no other way in which we can save these prairies. It is the most heart-breaking thing to read that in the last five years, in the three prairie provinces in Canada—Manitoba, Saskatchewan and Alberta—the population has decreased by 104,000 souls. This means that our three prairie provinces, which have a combined area of 705,000 square miles, have gone down to approximately 2,350,000 persons.

What has happened in the Platte basin? I believe that Colorado, Nebraska and Wyoming have a combined area of about 278,000 square miles or thereabouts. But those three states have a population of 2,700,000 as compared with the population in our three provinces in the west. If our three western provinces are to be reclaimed there must be a similar programme undertaken there. I am convinced of this, and I would give my strongest support to any such programme. I do not care what government it is that does it; any government that will bring in a programme to reclaim these prairie provinces I will support to the limit. What has been the result in the United States? Just as I have said. On those 278,000 square miles there are more than 300,000 more people living on those bald-headed United States prairies, and part of them covered with mountains, than on our 705,000 square miles in our own three western provinces.

If the same ratio of population were distributed over Manitoba, Saskatchewan and Alberta as now live in Nebraska, Colorado and Wyoming, our three prairie provinces would have a population of 7,000,000. They should have that population, and will have it if they get fair play. What does that mean? It means another forty towns and cities as firm buyers of products made in the east. I like to couple up both east and west, because the more the prairies grow, the more their cities and towns boom and prosper, the better it is for us here. In many addresses I have delivered during the last year both in the east and in the west in the advocacy of programmes such as this, I have found everyone unanimously in favour of reclamation both in the maritime provinces and in the west.

The minister of course knows how far he can go, but I am sure he, as a westerner would have far more influence in the cabinet than anyone else—and so he should have—as far as the western reclamation programme goes. I wish this whole reclamation programme were under his department. It is now divided between the reconstruction department and agriculture; but the problems, the needs and the requirements of the prairies are matters in which his voice should be paramount in the cabinet. To me it is a terrible tragedy, as I said a moment ago, to see the population go down and down because, Mr. Chairman, that means fewer buyers for the threshing machines and agricultural equipment made in your own fine little towns of Seaforth, Clinton, Goderich, and other eastern centres. But if the population went up instead of down it would mean more buyers and more jobs down here. We in Ontario and Quebec go forward as these outlying parts of the country go forward. The man who cannot see that we all expand together cannot see very much.

The matter of water conservation and irrigation is not a matter of cost, it is an extremely sound investment, as I proved a moment ago by pointing out the increase in population in those three dried-out western states of the United States. Over there they are so thrilled with their towns and villages in the dried-out areas, always growing and expanding; towns and cities like Scottsbluff; Greeley, Alliance, and I could name a dozen or two more, each with many secondary industries. We should have exactly the same thing in our own west. Every town and city in Saskatchewan, Alberta and Manitoba should have several times the secondary industries they have today; and they would have those industries if they could get water for the prairies. And they can get it; the Saskatchewan river can supply it.

[Mr. MacNicol.]

So I support this vote, as I will support the other vote under the reconstruction department when it is brought in. I hope the minister will press hard not only for the completion of the dam on the St. Mary river, as he will be doing in a moment or two, but for the construction of other dams. Why allow all that God-given water, that rich resource of water, to flow down to the sea and do no good as it moves across the prairies? So it is a delight on my part, knowing, as I believe I do, what can be achieved out there, to support this and any other vote that will mean reclamation and conservation of our own western prairies.

I expect that when I come back from Phoenix next fall I shall have a more extended story to tell, because when I am down there I shall thoroughly survey the marvellous transformation that has taken place in Arizona, Nevada and southern California, where today they are spending or rather investing millions of dollars. One has only to look at the gigantic works they are completing to increase the productivity of their soil to realize the benefits that will accrue from the programmes they are carrying on right now. I believe they are so satisfied with the tremendous achievements that have so far been completed that they are now initiating another great programme, on which they have many engineers working, for the reclamation of the whole Missouri valley. That is expected to cost about $2 billion, and they expect to increase the population of that valley by several millions. From the many miles I have travelled on the lower Missouri river, it seems to flow very largely through a flat country, where there would not seem to be many opportunities for the development of power; but their programme calls for the development of over 2,000,000 horse-power of electrical energy on the Missouri river and the reclamation of an additional 5,000,000 acres of land. Just think what that will mean, taking 100 acres per farm. That will mean 50,000 farms, which, at the Colorado average of nearly twenty people to each 100 including those in towns and cities, would mean a tremendous increase in population. The average here in Canada is from five to ten; so just look at what it would mean if we should ever reach the Colorado average of twenty per 100 acres. So I say this is not a cost but an investment. If I were sitting in the minister's place—as I never could, knowing nothing whatever about agriculture and being unable even to attempt to answer the questions he is asked, although I can answer a great many questions concerning matters I know something about—I would come in here with a gigantic programme of

reclamation for the western provinces, first, for their own benefit and, second, for the benefit of all Canada. We would all prosper and profit out of anything that might be done in the west.

When I first rose I did say I was disappointed over the size of this vote, $3 million. But it is something, and I believe it is more than was voted at any other time, though last year we voted $10 million, which was not spent. I do not like votes of that kind; I like to see money voted and invested.

The minister has a golden opportunity in connection with reclamation. Take the Bow river, for instance. It is really pitiable that all the land northwest of Medicine Hat, the 300,000 acres west from there on the north side of the South Saskatchewan river, should be just lying there pleading for reclamation. It can be reclaimed; the Bow river has the water. I appeal to the minister not to be held up by anyone else in the cabinet. Stand up and double up your own fat fists and demand that this country be given a chance to live. It has not had a chance. as no one knows better than the minister. Give it a chance and our western prairies will blossom and bloom just as the land around Lethbridge is blossoming and blooming. No city in the west is comparable with Lethbridge in regard to expansion. I am very sorry I shall have to ask the minister, when he goes to Lethbridge for the inauguration of the western Canada reclamation association on July 11, to express my extreme regret at my inability to be there. I have an invitation as he has, but I shall not be able to go. However I am very happy to have had a part in initiating the western Canada reclamation association, covering the four western provinces. I know that when they get organized with all these delegates, of whom I have lists, they will have a potent influence with the combined strength of the four western provinces behind them. I am sure of what the minister will see at Lethbridge on July 11. Those men will say to him, "Mr. Minister, we will all go to Ottawa on special trains to back you up in the cabinet in your efforts at least to give us a chance out here to live when we have struggled for so many years". And how they struggled! I often think of the horrible struggles they have gone through. Give them that chance and I am sure you will be supported at Lethbridge by a body of men and women who will strengthen you to ask, not for $3,000,000 next session, but for the $10,000,000 that I suggested last session. And that should be kept up for twenty years—$10,000,000 a year for twenty years. When the estimates of the Minister of Reconstruction are before us I am going to ask for $5,000,000 a year for twenty years for the reclamation in the maritime provinces.

Mr. GARDINER: Before the discussion goes any farther, I should like to refer to one matter that was brought up a few moments ago. Item 31 of the estimates for 1947 reads:

> Prairie Farm Rehabilitation Act and water storage. (This does not include the costs of survey and engineering work on the Medicine Hat irrigation and Red Deer diversion projects in Alberta and the South Saskatchewan river project in Saskatchewan, which costs are to be made available from the item of $10,000,000, No. 606, Department of Reconstruction and Supply), $3,000,000.

It was intended to have that same declaration appear in these estimates. With regard to item 570, which corresponds with the item for $10,000,000 last year, that item is in the reconstruction vote and is for $5,000,000. I have made representations to the Minister of Finance to have it put in the supplementary estimates and I hope it will be there when the supplementaries come down. In getting money for these projects, we are required to go to the Department of Reconstruction. I am referring to the larger projects such as have been discussed in the last few moments. They would not be provided for in this $3,000,000 vote which is for ordinary rehabilitation work in the Palliser triangle. Most of the large works will also be in the Palliser triangle, but expenditures on them will come out of the $5,000,000 reconstruction vote. Last year I prevailed upon the Minister of Finance to have this explanation put in, so that any one reading it could see that the provision was there. It was omitted this year when they were printing the estimates, but I hope to have it in again.

I should like to make one or two remarks with regard to the recital which has just been made to the committee. When I was a boy I had the privilege of living in the area of which the hon. member has been speaking. We lived for five years in the valley of the Platte, close to where it joins the Missouri, but we were starved out and came back to Ontario. The conditions which existed there in the early part of the nineties were almost identical with the conditions that existed in Saskatchewan and Alberta in the early part of the thirties. The same conditions prevailed in Nebraska and Kansas in the thirties of this century as prevailed there in the nineties of the last century. There has been no difference in the weather conditions. We had exactly the same conditions in western Canada in the nineties as they had in Nebraska, and as we had in Saskatchewan during the thirties. There is nothing new

about it. Those conditions have prevailed on a number of occasions and they will come back again. Some provision must be made for the better distribution of the water that is in that country if people are going to live there.

I have driven the whole length of the Platte in recent years since these dams were built. I may say that some of the cities spoken of were there before irrigation was put in, but they were in much the same position at that time as some of our cities in western Canada; they were going down in population rather than up, but now it is a different story with irrigation. In driving from one end of the Platte river to the other one can discover many of the things we should do and also some of the things that perhaps we should be careful not to do. I do not know whether the hon. member visited the higher lands where you can see the foundations of houses that were put up when the irrigation scheme was first put through.

Mr. MacNICOL: That did not occur around Alliance, which is a city of from 15,000 to 18,000 people. They pump the water up, but the land is thoroughly irrigated and they have marvellous crops.

Mr. GARDINER: One can see the foundations of houses that were built and the remains of old cars beside those basements. I made a point of going to see that, because there are some things they have done in the United States that we should avoid. The story they tell there is that the contractors were obliged to make a declaration that water had passed through the ditch before they could get paid and they say that some water was taken through in bottles behind horses. Of course that was in the earlier days of the undertaking. I think that story is an exaggeration of what actually happened, but the ditches are there and there is no water in them; the foundations are there, but there are no buildings on them; the old cars are there that were worn out in the district and no one is using them. This is all up in the higher lands which are much higher than Nebraska or the eastern part of Montana. As I say, that area is the exception.

One can learn from that there are acres and acres of land, hundreds of square miles or even thousands of square miles of land in western Canada as well as in the western states on which you cannot put water, or if you do you waste it. The sub-soil of the area of which I was speaking is gravel and it is very high. One dropping there from an areoplane and not knowing anything about the altitude would think he was on the prairies up north of the boundary, but he would find that he was probably up three or four times as high as the prairies. That also has some bearing on the question of what one can do.

There are many things that we can learn that we ought to do on the prairies in Canada, and there are many things that we can learn to avoid by going there and looking at the development. Anyone who has lived as a boy in the drought areas of the United States or who has lived through the drought periods in western Canada will agree with everything that has been said to the effect that there is only one way in which you can maintain population in that area, even the population that is there now, and that is to get all the available water distributed over the land which is suitable.

In so far as pleading with the government is concerned, I do not think I need to make any excuse or to hesitate in saying that ever since I have been in the government at Ottawa, and even before I came here, I have been advocating, just as the hon. member has been advocating, the placing of every possible gallon of water on the lands of western Canada. I think the leader of the opposition will agree with me when I say that, before the P.F.R.A. was brought in at Ottawa, he and I and the then premier of Alberta, Mr. Reid, met in Saskatoon and discussed this whole question. I think we can claim credit for pretty well having laid out the programme which was taken on under P.F.R.A. in 1935. We met in 1934 and in the early part of 1935, went over the whole programme and made our representations known to Ottawa at that time when the present leader of the opposition was premier of Manitoba and I myself was premier of Saskatchewan and Mr. Reid was premier of Alberta. The meeting was held in Saskatoon and the plans outlined.

But I found when I came to Ottawa that I had great difficulty in convincing this house that we should have even $5,000,000 to spend over a four-year period, and all the difficulty was not on this side of the house. As a matter of fact, after two years of battling, it was finally agreed that whatever amount of money we could get, spread over whatever length of time we could get it, could be spent on irrigation and water conservation in western Canada. But never have we been able to get more out of any government so far than $3,000,000 a year. The limit prior to this government was $1,000,000. That was the most any house ever agreed to vote. The amount agreed upon for 1935 was not spent under the previous government. But we have been spending from $2,000,000 to $3,000,000 a year, until now the expenditures total well over $20,000,000. So far

as I personally am concerned, I think the expenditure should have been double that in the past, and it should be four or five times that in the future. But all these matters have to be discussed with representatives from right across Canada, as everyone knows; there are arguments that expenditures should not be made as rapidly as some of us think they should be, and after the whole question has been weighed, the fact is that we have provided $3,000,000 this year for these smaller undertakings. I hope that in due course we shall be able to obtain more, and that before very long we shall be able to spend at least the amount suggested by the hon. member on these other projects. If so, we would be spending some $5,000,000 or $6,000.000 yearly.

Mr. IRVINE: I do not desire to follow the trend of thought which has been followed for some time by the hon. member for Davenport, beyond saying that I agree that there are great needs in western Canada and in other parts of Canada for extensive irrigation projects, and I hope that the minister will, as he said, keep in view the great need and take steps in the future to launch some real enterprises along that line.

I wish to bring to the minister's attention a much more modest request under this item. For some years I have brought to his attention the desire of the people of the Peace River block to have P.F.R.A. applied to that section of the community. I have asked for this several times, last year on several occasions, and if I recall the minister's answer aright it was to the effect that he had intended extending the application of P.F.R.A. to practically all western Canada and practically all Canada, but that he had been prevented from going ahead because of the unsettled state of dominion-provincial matters. But in view of the fact that British Columbia and Alberta have come to satisfactory tax arrangements with the federal government, we feel that we should not be punished because some other provinces have not done that.

The minister is, I am sure, well aware that the farmers in the area to which I have referred have petitioned his department and passed resolutions time and time again, year after year, asking for the application of P.F.R.A. to their area. I have explained to the minister—I do not think it is necessary because he knows it just as well as I do—that there are peculiar conditions in that area. There are very few wells to be had either for watering stock or for water for the homes. People have to melt ice in the winter for water and often have to haul their water for miles from the river to do their washing and water their cattle. In the summer, the area is fairly well supplied with rain, which helps to grow crops, but they have not water for their stock, and they want to use the privileges which P.F.R.A. makes available in the west where it now applies.

Is it the intention to extend the application of P.F.R.A. to the Peace River block under the present vote, and, if not, can the minister say when it will be possible to extend it to the Peace River block? I can assure him that there are thousands of farmers who will be anxiously waiting to hear his answer to that question. I do not want to hold up the estimates by making any emotional pleas, but I hope that the minister will give this matter his serious consideration.

Mr. GARDINER: In reply to the question that has just been asked, all I can say is what I did say in making the announcement a short time ago, namely, that P.F.R.A. would not be extended this year and that the government intended to undertake expenditures under votes which would be in the supplementary estimates. Those expenditures are to be made in the maritime provinces on the marsh lands that are dyked and on some special projects in British Columbia, one of which is under way and by the way is in the constituency of my hon. friend. The other amount is to be utilized in the areas of the western provinces which are not under P.F.R.A., which includes the Peace River district of British Columbia, and also in the eastern provinces. That expenditure is not intended to be on the same type of work that we are doing under P.F.R.A., the reason being that the responsibility for that type of work has always been with the provinces. As members from the western provinces and also from the eastern provinces know, works of that kind, such as finding water for household use, have been carried on provincially or municipally. In Saskatchewan, for example, which I know best, the provincial government through the department of public works or the highways department provided nearly all the dug-outs and dams that were built there prior to P.F.R.A. That is, they assisted in the building of them, or the farmers put them in themselves individually. In some places municipalities had equipment to assist the farmers in doing the work. So far as wells are concerned, the territorial government, before even the provinces were formed, dug wells, and they can be seen in the older settled areas of western Canada today, most of them being on the road allowances. If one starts digging wells for people and you do not dig the well as close to one house as you do to another there is trouble. Sometimes the water is not located as close

to one house as it is to another, and so it was thought good politics, if not good business, to dig the wells on the road allowance and let everybody go to it for their water.

These practices were carried on under local organizations, not from Ottawa. Any activities that have been in eastern provinces or in western provinces, outside the P.F.R.A., have been carried on under provincial governments, or provincial governments working in cooperation with municipalities or counties. We said last year and again this year that until there is some further agreement than we have up to the moment with regard to responsibilities of that kind, the dividing of responsibilities, and the dividing of responsibility for collecting taxes, probably we should not take on any long-term policy in connection with this particular matter. Therefore we have undertaken to carry on P.F.R.A. where it is now being carried on in the Palliser triangle, and decided to bring these other water expenditures to bear upon the problems that exist there in so far as we think we ought to enter into agreements with the provinces to carry them on. I am not in a position to say the amounts that will be in the supplementary estimates which will be brought down in a few days. I know how much we have submitted to the treasury board. In a few days these estimates will be brought down and we shall know how much the amount is.

Mr. FULTON: I do not wish to make a long speech on this matter, since I made reference to it on March 6 during the debate on the address in reply to the speech from the throne, but I wish to refer to the fact that up until May 22 we had hoped—I am speaking for the members from British Columbia—that the same principle as exists under the P.F.R.A. should be extended to our province. The reason I want to go back to that point again is that in his statement—to which the minister has just referred—which he made on May 22 and which he has elaborated tonight to some extent, he seemed to imply that it is not contemplated in any way to extend to British Columbia a thorough-going scheme of land reclamation and irrigation, but rather that it would be small local projects such as might be brought forward from time to time by the provincial government. I suggest to the minister—he no doubt has the advice of experts, and I am not going to put myself up against them—that the type of country which we have, particularly in the interior of British Columbia, does not lend itself to these small, local schemes. Speaking on the 6th of March, I said, and I am still of the opinion, and am supported by all the briefs and expert opinions which I have been able to read, that what is needed is something in the nature of what they call in the United States an integrated project for the development of water power and irrigation as well as land reclamation. In the dry belt areas of the interior of British Columbia where you cannot divert a stream to irrigate large tracts of flat land but require to pump water probably 100 feet up to the bench above the river, you need water power for these projects. That is why it is so disappointing to us to read the statement which the minister made on May 22 and to find that he said, as reported at page 3318 of *Hansard:*

> The dominion government would be prepared to discuss with the provinces concerned plans under which development could proceed over a period to be agreed upon, sufficiently long to bring about the desired results, but not to exceed five years.

That seems to me to indicate a very short-range and local project which will not fill our needs.

I wish to bring to the minister's attention one particular brief which has been submitted, and of which I know he has received a copy. It was submitted by the association of British Columbia irrigation districts. After going into the principles which they felt should apply in this type of work, they set forth a summary of the acreage available for irrigation under some such thorough-going scheme. They show that there is a total of 97,155 acres available throughout the dry-belt portion of the interior of British Columbia. In my opinion that does not include actually all the land which is available, because no mention is made of the land between Kamloops and Ashcroft on the Thompson river. There was, for instance, once a project at a place called Walhachin, where their objective was a million boxes of fruit a year. They developed an irrigation scheme, but it was all by bringing water down in ditches some twelve or fifteen miles from lakes back in the hills. Then one year the ditches washed out; there was found to be no more money available from the private interests who were behind the scheme, and the thing folded up. You can drive through a tremendous area of derelict fruit trees where they were within a hair breadth of realizing their objective of a million boxes of fruit a year, when this happened, and today there is hardly a soul about. Nothing has since been done. It proves conclusively that you cannot put in an irrigation scheme if you expect the land which is brought under irrigation to bear all the costs without some government assistance. That is why the thing folded up. They did not

have enough money left in the treasury; they had not enough back from the sale of the land when the ditches washed out. There is all this tremendous acreage available down our river valleys and lying back from the rivers, but they require pumping from the land itself up to the bench lands before it can be got under way.

I have had a lot of correspondence with the minister and with other departments. I wish to refer to it and to ask the minister some questions in elaboration of his statement. The correspondence which I have had was with the Department of Public Works, the Department of Agriculture and, to a lesser extent, with the Department of Fisheries trying to get all the departments concerned with the rivers in British Columbia to work in with the British Columbia government with this idea of an integrated project. In one of his replies the minister indicated that he did not feel his department had any interest in that particular matter. I have, however, a letter from the Minister of Public Works on this subject in which he says his department is going ahead to appoint a commission in consultation with the provincial government to investigate conditions on the Fraser and Thompson rivers. He says:

> A decision has already been reached to proceed in this matter and the provincial government and interested departments of the federal government are being approached in connection with the personnel of the proposed board or commission.

It does seem to me that if that is being done, here is a favourable opportunity for the two departments concerned, in conjunction with the provincial government, to work out some such scheme. All that we ask at the moment is that a survey be made. Look at the land available and decide how best we can bring it under irrigation and build up the water power necessary to pump the water and provide electric light, power and so on. I know there are engineers of the department of the P.F.R.A. out there now working with the Department of Veterans Affairs. That is another reason why I think the Department of Agriculture and the P.F.R.A. should be interested, because in that area the Department of Veterans Affairs is settling a number of veterans on the land. That is a dominion responsibility, not solely a provincial responsibility. The potentialities of that area are so tremendous that once we get the water on the land, although it might cost a lot of money—I know I have advocated economy—it would more than repay the cost over the years. The proceeds from the development of the land and the bringing in of secondary industries would more than repay any initial capital expenditures. If it were regarded as a continuing project, a long-range project, we would find that we would recoup more than any outlay which was made in the first place. I hope that the minister will reconsider the statement which he made on May 22 and take under consideration again the institution of a full-scale integrated project in conjunction with the Department of Public Works and the provincial government.

In his statement the minister referred to certain projects related to farm lands in British Columbia, and I should like to know whether that is the Pemberton Meadows project, to which he referred a moment ago, in what is now the Cariboo constituency.

Mr. GARDINER: That is one of them.

Mr. FULTON: I believe the engineers of the P.F.R.A. are doing service in the Thompson valley around Chase and Pritchard for the Department of Veterans Affairs.

Mr. GARDINER: Yes.

Mr. FULTON: Have they any other work going on there at the present time?

Mr. GARDINER: There are about six projects in British Columbia which are being investigated for soldier settlement.

Mr. FULTON: Has the provincial government brought forward yet any projects following the statement the minister made on May 22 when he indicated that the dominion government would be prepared to discuss with the provinces any project which they might advance?

Mr. GARDINER: The government of British Columbia has written to us asking for a date at which they can come and discuss the matter with us.

Mr. FULTON: A final question. Are the P.F.R.A. officials doing anything directly in conjunction with the Department of Public Works along the lines of the letter I read from the Minister of Public Works with regard to a commission to inquire into flood control and other conditions on the Fraser river and the Thompson river watershed?

Mr. GARDINER: There has been correspondence back and forth between the minister and myself with regard to the possibilities, not only in British Columbia, but in some of the other provinces as well.

Mr. CRUICKSHANK: I should like to get certain information from the minister for purposes of clarification, because I am not as optimistic in this matter as the Prime Minister seemed to be about getting out on the 8th of July, if one may judge from some of

the speeches tonight. It is not clear to me what the minister intends to do in British Columbia under this act. It seems to me that the hon. member for Kamloops is a little mixed up on the question of flood control. What we are interested in, so far as my part of the district is concerned, from the request that came from the associated boards of trade, is the question of river bank erosion and flood control in the Fraser valley. We do not want that mixed up with any irrigation scheme.

Mr. FULTON: I am not interested at all in what you are interested in.

Mr. CRUICKSHANK: But you are trying to bring the Fraser valley into it and we are not interested in irrigation. We are interested in keeping the water off.

Mr. FULTON: There is a great deal more to the Fraser valley than your constituency.

Mr. CRUICKSHANK: I want to make it clear that we are not interested in irrigation. Our concern is to keep the water off. Yesterday I had a complaint from a farmer which I took up with the Minister of Public Works. I believe New Brunswick has the same problem because the farms are being washed away through the erosion of river banks. This is a serious matter in the Fraser valley and I submit that this act should be extended to cover it. I am disappointed in any statement the minister has made so far. I understood from his original statement that, if the provincial government and the local authorities were prepared to come in with the federal government, money would be available. That is what I understood the five-year period meant. I understood the minister to say that is what is happening in the maritimes in connection with the dykes. I should like to know whether the department, in conjunction with the provincial government, is providing funds for taking care of river bank erosion.

Mr. GARDINER: Most of the work which has been done, in fact all the work which has been done in the past, of the nature that has been discussed by both the last speakers, has been done under votes in the Department of Public Works, and I think much of that work will still be done under votes in that department. Probably what the minister had in mind in that regard was that some organization would be set up to survey the whole field and determine where the responsibility lies in connection with many of these works. There is a division of authority and responsibility as between the province and the dominion with regard to these matters, which makes it impossible for anyone to make any general statement about what this government will do, or what the provincial government will do; and until someone has determined that, it will be impossible for me to say what projects we shall work on, or how many. I only know that we shall work on as many as we have money to cover, and that will be determined in the usual way. Votes will be brought before the house and submitted for discussion, and then that money will be spent on whatever it is provided for.

Mr. FULTON: Has the minister in mind any general principles governing the sort of project he would be prepared to work on with the provincial government?

Mr. GARDINER: We have one which we have already done, or it is almost done, and that is the Pemberton Meadows lands. That one is now practically finished. The expenditure there was all made by the federal government. No assistance was given by the province at all in that. There may be special reasons why that was done by the federal government. Those reasons may not exist elsewhere. Each project would have to be considered on its merits and dealt with accordingly, but it is that type of thing. The work being done there is the work of keeping water off the land instead of putting it on, as was stated by the hon. member for Fraser Valley.

Mr. CRUICKSHANK: How do you approach the government to get a grant similar to that in connection with Pemberton Meadows? Is it through this department? The minister says there is to be some money available for this, and I believe he spoke of six projects. Who will settle what these projects are, the federal government or the provincial government?

Mr. GARDINER: These projects that have been spoken of are not under our department at all but under veterans affairs, and we have been giving services of that kind, not only to other departments of this government, but to provincial governments and municipalities, in connection with water matters, by utilizing the engineering staff we have under P.F.R.A. When we do provide that engineering staff to investigate, it does not necessarily follow that we shall spend money on it. The Pemberton Meadows investigation started three or four years ago. We had a vote of $10,000 to provide for covering the expenses of sending engineers there. They went and investigated, and we finally undertook that work on our own, largely because it was almost altogether soldier settlement put there by the federal government following the first war. We under-

took to control the water on the lands, because it was running over the lands that these men had. This was a special condition that existed, which we undertook to deal with. Each one of these projects, or any projects that we undertake there, will have to be dealt with on their merits. The amount of money which will be voted will more or less determine how much work we can undertake.

Mr. FULTON: In his statement the minister said it was considered that there were certain works outside the drought area which, if undertaken, would be of assistance to all Canada through making possible increased developments of farm lands which, if left to provincial or municipal responsibility, might greatly retard Canada's development. Can the minister amplify that statement? Are there any characteristics or particulars which the department has in mind and which such lands must fulfil before anything can be done?

Mr. GARDINER: I had in mind, when making the suggestion to the government, which was accepted, that this expenditure would relate largely to the opening up of new lands for settlement purposes. That settlement may be a movement of people out of Montreal into northern Quebec; it may be moving people from one part of the province to another or from one province into another; or it may be bringing in new settlers altogether. They are projects of a type which may make for further development of the country.

Mr. McGARRY: I have been following the minister's estimates through from the beginning and I think they are all justified. Particularly do I approve the estimates for the Prairie Farm Rehabilitation Act and the Prairie Farm Assistance Act administration. If I were to offer any comments on those expenditures I would suggest that they be increased rather than reduced. For some years I have been advocating the extension of the Prairie Farm Rehabilitation Act so that its provisions would render some assistance in solving the problems which the eastern farmers are trying to deal with. I refer particularly to the flooding of the dyke lands and to the damage and destruction wrought on our meadows and intervale lands along our rivers and streams.

I notice that the hon. member for Fraser Valley referred to a specific case, and I imagine I may be pardoned if I do likewise and refer to one which has been brought to my attention for several years. It is the damage and destruction that is done to our meadow lands along the Margaree river. Every year acres of that most fertile land in the maritime provinces have been rendered unproductive and acres of it have been washed away by flood waters, by ice floes and by uncontrolled waters which the farmers have been trying to control. They have now reached their limit. Knowing the situation as I do, I will say for these farmers that they have done their very best to deal with the ravages of these destructive agencies, but a point has now been reached where this damage and destruction cannot be controlled by individual efforts. I do not know through what means or through what department some assistance can be rendered, but I honestly believe that, unless some government assistance is given, the most fertile lands of the Margaree valley will be washed out into the Atlantic ocean. I believe that the assistance which could be rendered to combat those agencies would not mean a great contribution from the government. If the government were to assist the farmers, those who have vested holdings there, to build at strategic points breakwaters, small protecting walls, sheer dams and to do a little bit of dredging in order to keep the river in its natural channel, I believe that a great deal of the damage could be prevented. I honestly believe that if some such assistance is not rendered to our farmers in that particular section of the country, that fertile land in the Margaree valley, which is one of the most productive in the whole of the maritime provinces, will be washed away into the Atlantic ocean.

I would urge upon the Minister of Agriculture, although possibly this remedial measure does not come under the authority of his department, to collaborate with some other department of the government and point out to them the emergent need of conserving this fertile land. It is all right to be undertaking to rehabilitate lands which are today unproductive. But when we have productive land which has been destroyed by these damaging agencies, it is just as important to preserve land that is in productivity now as it is to spend money to rehabilitate land that is out of production. I would urge the minister to collaborate with the department which has to do with this matter, to impress upon them its emergency nature, and the necessity of something being done to assist our honest farmers who are trying their best and have exceeded their means in endeavouring to preserve these holdings.

Mr. GARDINER: The matter which has just been referred to has been brought to our attention and has been under consideration by the different departments. Might I suggest that we could discuss these projects we are now discussing to much better advantage when the supplementaries come down, which

will be very shortly, when we shall know just what amounts of money are being voted. We can then discuss the expenditures of these moneys. If the committee would agree, now that we have had a sort of general discussion on the question, I think we could then enter much more intelligently into a discussion of these projects when the amounts voted for them are before us.

Mr. THATCHER: Originally I had intended to speak at some length on this item, but I think I shall spare hon. members inasmuch as they are trying to get along in a hurry. However I think this parliament should realize that in western Canada there are still large semi-desert areas. Unless we do something to reclaim those areas in the very near future, our national economy may be in danger. From history we know that these droughts come along, roughly, every seven or ten years. We realize, therefore, that we are probably due for another one of these droughts fairly soon. Since coming to parliament, I have found it difficult to understand why, every year, we talk about irrigation, but do very little about it. Canada's behaviour in this regard compares unfavourably with that of the United States. Back in 1935, drought conditions in the United States were even worse than they were in western Canada. Whole areas had turned into dust bowls. People were moving out and going on relief. But since 1935, the United States have irrigated about 5,000,000 acres and have begun plans or actually started construction for the irrigation of about 10,000,000 other acres. Yet we in Canada have irrigated only about 155,000 acres. I certainly do not think this compares favourably with what has been done in the United States. As far as I can see from what the minister has said tonight, I do not think the reasons or the excuses he has given for not proceeding are sufficient. I suppose lack of funds is the main reason. I think the $3,000,000 we are bringing down in the estimates tonight is disgraceful, to say the least, for meeting this western problem.

Mr. GARDINER: This $3,000,000 has nothing to do with the projects my hon. friend is discussing.

Mr. THATCHER: I realize that.

Mr. GARDINER: Unless it may be a small part for engineering.

Mr. THATCHER: I realize that; but that is the amount we are giving for irrigation.

Mr. GARDINER: No, that is not irrigation.

[Mr. Gardiner.]

Mr. THATCHER: There may be a few millions more; I do not know. I will not argue with the minister about that tonight. But last year, two years ago, I saw this parliament vote in gifts and loans almost $2 billion for the reclamation of other countries, and probably most of those amounts were justified. If we could give so much to these other countries I do not see why we cannot find a few million dollars for a project so badly needed here at home, and one which would be self-liquidating. In the war years we spent $110 million, which I think was the amount mentioned by the minister as the total sum required for western irrigation, in a few weeks; yet here we cannot find that much money for this work today. Recently President Truman said that probably there would soon be great benefits from the St. Lawrence river project. I think that is so, and I believe many Canadians would support it; but many westerners would find it difficult to vote for that project before getting the irrigation they need. I think easterners are going to need that project just as much as westerners, because, as the hon. member for Davenport has said, they will soon need markets. During the war years our factories increased their capacity by about forty per cent, and we know that when the Canadian loans are gone some of these foreign countries will not be able to continue to buy from Canada. Where are the eastern manufacturers to sell their products when that time comes. I suggest to hon. members from the east that perhaps then they will be glad to have people living in these irrigated areas on the prairies, who will be able to use some of their manufactured products.

I have several questions I should like to ask the minister in this connection. In my constituency we have been waiting years for something to be done in connection with irrigation.

Mr. GARDINER: May I suggest that those matters come under the next item. Could we pass the rehabilitation item and go on to irrigation, what comes next? The St. Mary river dam is the first of the big projects, and it is the next item. If the question my hon. friend has in mind has to do with the Saskatchewan river project, and other similar projects, they are not provided for in this item.

Mr. THATCHER: All right; I will leave those questions until then. But I want to ask the minister one question which I am quite sure applies to this item. A few months ago I had the privilege of hearing the min-

ister speak about irrigation. A few nights before that, he had spoken in Lethbridge, and the *Financial Post* reported him in this way:

> He assured industry and agriculture that . . . $100 million in federal funds will be made available for a long-range programme of irrigation.

Will the minister tell us if that is to be over a long period of years, with just a little coming through each year, or if we are to get that $100 million some time soon. Will he tell us, furthermore, whether the government is waiting to use this irrigation programme as a post-war project?

Mr. GARDINER: That has to do with the next item, also.

Mr. THATCHER: All right; if the minister will answer it then, I can wait, but I want that information.

Mr. BROOKS: In view of the minister's statement that the reclamation work in the maritimes would be better discussed on the items in the supplementary estimates, I shall reserve what I have to say until that time; but I would point out that, as far as the repairing of dykes in the maritime provinces is concerned, it is a matter of urgent necessity. Time is really of the essence in connection with the work there, because these dykes are disintegrating, not only every year, but every month. When the supplementary estimates are brought down this year I hope they will not be simply for investigation, but that there will be something for the reconstruction of the dykes in the maritimes.

Mr. GARDINER: The provincial ministers have already been here. Mr. Taylor, minister of agriculture of New Brunswick, was here. Mr. McKenzie was not able to come, but his deputy was here, and we have discussed the possibilities in connection with expenditures for this year. An amount is being placed in the supplementary estimates. I am not at liberty tonight to say what that amount is, but I can discuss it freely at that time.

Mr. QUELCH: The members of this group have a very high appreciation of the work done under P.F.R.A. in the past and at the present time, but we feel that the time has come for the government to launch larger scale projects than have been undertaken in the past. We particularly feel that the conservation of the waters of the Rocky mountain watershed is of paramount importance, not merely to western Canada, but to the whole of Canada. While it was not possible to do anything along that line during the war, we believe that the time has now come when the government should undertake that work. We consider it important that irrigation projects should not be looked upon as a form of relief works for the purpose of providing employment. I believe the minister will agree with that statement, but I am not so sure the Minister of Reconstruction and Supply will agree with it, because I understand his department look upon reconstruction projects mainly as a means of providing employment. Of course if that attitude is taken it means delay, a continued loss of wealth, and a permanent loss in the form of dried-out crops and soil erosion. During the spring in western Canada there is a very heavy run-off of water that may be urgently needed a month from now. A great deal of that water could have been saved if larger scale projects had been undertaken. Of course there is the other important point, that we are under a moral obligation to provide irrigation projects in the drought areas of the west, because those people were encouraged to settle in that area, in spite of the fact that the government of the day knew it was not suitable for settlement.

I want now to make a few remarks and to ask a few questions in regard to the Red Deer river diversion scheme.

Mr. GARDINER: That comes under the next item, too.

Mr. QUELCH: Then when we get to that item I hope the minister will not say we can discuss only the St. Mary river project.

Mr. GARDINER: No, I won't.

Mr. QUELCH: Last year we had an item of $10 million under the reconstruction department. This year we have an item of $5 million, and I understand that the minister hopes to get another $5 million. Last year I waited until that $10 million item came up; then I was told by the Minister of Reconstruction I should have discussed the matter under P.F.R.A., because it would be under P.F.R.A. that the work would be carried out. So this year I have no intention of waiting until the reconstruction estimates come up.

Mr. HERRIDGE: I think I shall have to make a few remarks on this item, because I want to talk about more than just irrigation. I am sure a number of the fruit farmers and others I represent, and all those in the Okanagan who were mentioned by the hon. member for Kamloops, are somewhat disappointed at the delay in the plans of the government in connection with the application of P.F.R.A. to British Columbia. I support what was said by other hon. members

as to the great needs in the Cariboo and the Okanagan with regard to irrigation, but I just want to add a word or two about conditions as they exist in my own district of Kootenay West. We are not actually in the dry belt. We can grow crops without irrigation, but in some districts and on some land there would be a greatly increased yield with irrigation. I want to draw to the minister's attention the fact that in this district some thousands of acres are owned by the provincial government. There is one large tract consisting of several thousands of acres, formerly owned by the Christian community of universal brotherhood, which has been taken over by the provincial government from the mortgage companies, and which, I believe, could be developed very well under this scheme. The provincial government owns the land, and the provincial and federal governments could cooperate in developing it. Then the land could be sold to settlers. It is ideal for tree and small fruits. Then again there are thousands of acres of first-class bottom land alongside various rivers and lakes which can be reclaimed at very little expense. I know of one tract of some ten thousand acres in the Lardeau valley, first-class black loam, natural meadow, which can be reclaimed by lowering the bed of the river four or five feet, and this can be done at relatively small expense. The cost, however, would be too great for any small group of individuals to undertake. Then again we have a number of smaller areas along the Arrow, Slocan and Kootenay lakes that could be greatly helped by this type of legislation.

In these areas you would not be developing land that is marginal. You would be developing land which has a high productive value. I think I am quite safe in saying there are probably fewer mortgages on the farms of my constituency than in any other constituency in the west. A mortgage there is quite a rare thing, which indicates productivity of the land and the skill and thrift of the farmers working it. However I am under the impression that this act might not be flexible enough to meet the varied conditions across Canada. I have spoken of these provincial lands, the dried-out land, and that which requires drainage, which I think should be developed jointly by the dominion and provincial governments. If the government is going to go ahead and assist these smaller areas which are already developed, something should also be done to assist the people I have mentioned, even if it is only to the extent of providing money at low interest rates, on long terms.

The people I represent are not people who ask for something for nothing. They built up that country as a result of their own labour. Possibly this act is not flexible enough to cover the varied conditions that exist across Canada. I throw out that suggestion to the minister, and I hope that at some time in the future he will take time to visit that district and see its potentialities. If he does I am sure he will be convinced that there are great possibilities for the application of this act in providing assistance to those farmers.

Mr. GARDINER: May I point out that no one has been discussing this vote. This vote applies only to the Palliser triangle and it is to build small dams and dug-outs as well as to provide community pastures and small irrigation projects. The discussion which has now taken place should have been on item 36, and all the other discussions should have been on item 31. Unless someone wants to discuss small dams and dug-outs and pastures provided for in this vote, perhaps it might be passed and we could get on to the proper vote.

Mr. MATTHEWS (Kootenay East): Mention has been made of various areas in British Columbia which should be brought in under the P.F.R.A. and I was wondering if the Creston area is one of those?

Mr. GARDINER: The Creston area is not in. None of British Columbia comes under the act for which this item provides money.

Mr. HARKNESS: I will make the minister happy by staying strictly on this item. A thing I have had in mind for a long time is how the dividing line is drawn between the P.F.R.A. and the P.F.A.A. It seems to me that those two acts are working against each other, at least in the southern part of Saskatchewan and in Alberta. To illustrate, you may have a piece of land which is under P.F.R.A. and where people are being paid not to grow crops, to get off the land and go into certain valleys. Then you have another piece of land right next to the first piece where the people are being paid under P.F.A.A. to put in crops which may not grow. It seems to me that one of the great fallacies in these two acts is in an area such as southern Alberta where people will be paid under P.F.R.A. to leave certain areas and gather themselves into a valley, or leave altogether and go somewhere else so that the land may be taken out of cultivation, and in the same area another group of people are paid to stay there and put in crops which they probably will never harvest. They are given so much per acre planted. The thing I want to get is how the dividing line is drawn or how it is decided which area is under P.F.R.A. and which is under P.F.A.A.

Mr. GARDINER: The only area under P.F.R.A. is the Palliser triangle, the dividing line of which runs through the city which my hon. friend represents. It extends northward to Lloydminster and then from Lloydminster almost in a straight line across to the Manitoba boundary at the northern end of the Assiniboine basin, then down along the east side of the Assiniboine basin to the Red river. All the area south of that is under P.F.R.A. The hon. member asked as to how the dividing line was drawn between the two.

Mr. HARKNESS: I do not need a description of the Palliser triangle.

Mr. GARDINER: The P.F.A.A. may cover part of that area, or it may go up into the northern country. People are taken from submarginal land and put on good land or land on which water can be placed. That would be done under P.F.R.A. We encourage people to go into valleys which can be irrigated or on to land to which water can be supplied. Under P.F.R.A. we encourage people to get off sub-marginal land. All that is done under the one act. We pay the expenses of moving off the sub-marginal land on to the better land. For example, at Brooks we had 25,000 acres that were irrigated. We moved people off sub-marginal land in different parts of the Palliser triangle on to those 25,000 acres which had been irrigated. All but two of the families so moved are well satisfied and we have had complaints from only one of them.

When we move people off sub-marginal land that land is turned into a community pasture. These pastures run from 40,000 acres up to 115,000 acres. It is fenced in with a permanent fence, as near as you can make a fence permanent with creosoted posts and four barbed wires. The farmers who are left there are given an opportunity to use the pasture by paying fees.

It is correct to say that through P.F.R.A. we do encourage farmers to leave submarginal lands in order that they may be fenced in as community pastures. Once that is done, the farmers around the pasture are organized into grazing associations. We first take those in the first mile round about the pasture. Then we take those in the second mile, and we continue until such time as we have a sufficient number of farmers with sufficient stock to utilize two-thirds of the grazing capacity of the pasture. They then pay fees in order to put their live stock in, and the costs of operating the pasture are paid out of those fees.

When once those pastures are formed the sub-marginal land is taken out from under the P.F.A.A. There is nothing paid on those sub-marginal lands. The only places where payments are made are on lands roundabout the pastures. The same principle applies all the way through the application of the legislation. For example, we say that a person who has had assistance in the form of irrigation cannot receive payments under the P.F.A.A. We have assisted him by putting water on his land; therefore he does not get assistance under the P.F.A.A.

Mr. HARKNESS: That is just what I am getting at. You say that all the people surrounding the community pasture are taken out from P.F.A.A. except those who still happen to be staying there?

Mr. GARDINER: After the pasture is out from under P.F.A.A., the people who are utilizing the land roundabout do not draw on the acreage in the pasture; they draw only on the acreage they themselves are cultivating.

Mr. HARKNESS: What the minister has said is quite correct, but it seems to me that the P.F.R.A. is the act which, if anything, will reclaim a lot of these dried-out areas in the west. I am all in favour of it and I believe it should be extended. However, one of the things in the way of its extension is the fact that sub-marginal lands are being maintained in cultivation or semi-cultivation under P.F.A.A. There is a conflict between the two acts and I wanted to get a reasonable explanation, which I do not think the minister has given.

Mr. FAIR: Is there an extension this year of the area in which dugouts are being constructed?

Mr. GARDINER: There is no extension of the area except that there may be a municipality here or there where it is shown we have not drawn the line in the right place in order to take in the entire basin of some particular river.

Mr. WRIGHT: To what extent are community pastures being extended this year? If they are being extended, where are you moving the people who are in those areas?

Mr. GARDINER: There is one in Manitoba. The only work that is being undertaken up to the present in Saskatchewan is the extending of pastures already formed. Areas are being added to them, and they are being added only because people have gone off the land. There may be one or two persons there, but mostly they would be on the edge of the area that is being taken into the pasture.

Mr. WRIGHT: There are no large movements?

Mr. GARDINER: No.

Item agreed to.

The CHAIRMAN: It has been suggested that we revert to item 26.

Marketing service—
26. Subsidies for cold storage warehouses under the Cold Storage Act, and grants, in the amounts detailed in the estimates, $777,599.

Mr. BRYCE: Thank you, Mr. Chairman. There are three firms in Winnipeg getting a subsidy of $108,000. My question is, how long will these subsidies last? Also when was the last agreement drawn up for the payment of this subsidy? Have any new arrangements been made to enable cold storage lockers to be set up throughout the country?

Mr. GARDINER: There are three cold storages in Winnipeg toward which we have made payments. The act provides that where we are satisfied, after inspection, that the cold storage is required and that all the conditions are met, we can pay thirty per cent of the cost of building the cold storage. That applies of course, to any organization, cooperative or otherwise, which is making cold storage available to the public. The Winnipeg plants are handled the same as the others. The only reason the payments are higher is that the costs of the plants are higher in Winnipeg than they would be in the smaller communities. The last agreement I think was made two years ago. Thirty per cent of the cost is paid, half of it the first year and the other half is divided over the next four years.

As to the small lockers, the provision in the act has been in the past that not more than fifteen per cent of any plant could be utilized for putting in small lockers. There was a reason for that under the conditions which prevailed before. These plants were practically all in cities and towns and were put in for the purpose that cold storage is usually put in for, to take in products from the public and store them and charge for storage. It was thought wise to limit the locker space to fifteen per cent, but that limitation is now being removed so that, where a group of people have got together for the purpose of putting in these lockers in the smaller communities, payment can be made on the same basis as for the larger plants. That is an entirely new provision. I do not think any payment has actually been made under it. The regulation has been changed within the last month or six weeks.

Mr. BRYCE: Will that be retroactive?

[Mr. Gardiner.]

Mr. GARDINER: We have not considered that up to the moment. There are a number of these plants, but most of them we know of are put in by individuals who are simply hiring out the lockers. It is not intended that under the new regulation payments shall be made on those. There are reasons why that would be objectionable. But it is possible for a group of farmers or a group of village people or farmers to get together and organize one of these plants to serve the community, and then the payments can be made.

Mr. BRYCE: In the smaller country towns where the farmers get together and build themselves a plant consisting of small lockers entirely, they can still get the thirty per cent?

Mr. GARDINER: That is right.

Mr. WRIGHT: Would that apply where a cooperative is already in operation, say a cooperative store, and the cooperative store decides to expand and build a cooperative locker in connection with the store?

Mr. GARDINER: That is a cooperative in the sense referred to here, but my hon. friend is aware that some organizations known as cooperatives are more or less joint stock companies.

Mr. WRIGHT: I am speaking of a true cooperative.

Mr. GARDINER: Yes, where it is a true cooperative.

Item agreed to.

Mr. STEPHENSON: May we revert to item 28?

Mr. GARDINER: Are we going back over them all?

Mr. STEPHENSON: I just want to ask a question.

Mr. GARDINER: Very well.

Marketing service—
28. Live stock and live stock products, $795,199.

Mr. STEPHENSON: I wish to ask a question with reference to the restricted area in Durham county from which I come. It was made a restricted area in 1937. We have had one or two tests up there and the county is due for another test this year, but possibly because of the shortage of veterinaries the test may not be made. Can the minister say whether that test will be made this year in Durham county?

Mr. GARDINER: I would have some difficulty in locating that information at the moment, but if the hon. member would permit me to reply to him by letter I will indi-

cate in writing what is being done in Durham county. Generally speaking, what is being done is this. As soon as we can obtain the services of a veterinarian the check will be made. That is what we are doing.

Mr. STEPHENSON: The federation at a meeting recently was preparing a petition to present to the government. I should like to be in a position to inform them what is being done if I could have the minister's reply this week.

Mr. GARDINER: I think I can let my hon. friend have it tomorrow.

Item agreed to.

Special—

31. St. Mary river dam project, $1,500,000.

Mr. THATCHER: I have four simple questions in regard to the South Saskatchewan irrigation project. Has a satisfactory dam site yet been located for this project? Have they found a site where they can actually build the dam?

Mr. GARDINER: Our engineers have located what they think is a satisfactory site. The recommendation they have made and the information upon which it is based have been sent to the consulting engineer, General Ferguson, who has been over the whole area. The report has not yet come back. I had expected it long before this. But we think we have located the proper site.

Mr. THATCHER: Can the minister say whether actual construction work will be commenced on that project this year?

Mr. GARDINER: I am not in a position to say at the moment whether or not it will be started this year. Once we get that report, I shall have to approach Reconstruction for funds from the amount which will be voted under Reconstruction, the $5,000,000. I cannot say at the moment what the position will be.

Mr. THATCHER: Can the minister say offhand how much has been appropriated in the estimates as they stand today for that project this year?

Mr. GARDINER: Whatever was used for the purpose was taken out of the $10 million that we voted last year; that is, $10 million of Reconstruction. Whatever was utilized last year for engineering purposes was received from Reconstruction; it was not out of this vote. It was taken out of the amount which was voted for Reconstruction, and it was noted in the estimates last year that we could draw from the $10 million vote. The amount is $115,000.

Mr. THATCHER: I know the minister is anxious to have this project completed. Everybody is wondering why the delay in this project. Will the minister say whether it is government policy to hold this project over as a measure to help solve our employment a few years hence? Would that be the reason for the delay?

Mr. GARDINER: No; the irrigation work is not bound up in that class at all. The irrigation work is not among those projects put on the shelf, so to speak. Irrigation projects are intended to be development projects which should be carried on whether we require relief or not; but it will be affected to this extent, that it is more difficult to get labour and material in times when work is plentiful than in times when work is not plentiful, and there might be some delay if the greater part of our labour was fully employed at something else. It might be more difficult to get them for that work then; but I would say that up to the moment, the delays, if there are delays—I would not classify them as delays—the time that it has taken up to the moment has been fully required in order to satisfy ourselves that a reasonable site had been found where we could have a reasonable chance of making a success of building a dam and utilizing it for the double purpose of power and irrigation.

Mr. QUELCH: I am very glad to see this item of $1,500,000 for this project. I, and the people in the Acadia constituency, realize that there is a very good reason why the federal government should proceed with this project, because of the agreement that we have with the United States. However, the people of the constituency of Acadia are very much interested, as the minister knows, in the Red Deer diversion project. I am not going to go into the details of this project because I have placed them on record on several previous occasions. The project provides for the irrigation of 500,000 acres. As far as I can understand, the surveys have now been completed and a permit has been granted by the provincial government to divert 750,000 acre feet of water a year from the Red Deer river. I also understand that the federal government and the provincial government have reached an agreement regarding the joint allocation of the costs and administration so that, as far as I know, all that is now holding up the project is the decision of the government to proceed with the construction. Last year when I raised this question on the estimates of the Minister of Reconstruction and Supply—I notice that he is now in his seat—on the $10 million item he told me that I

could raise it on the estimates of the Department of Agriculture because there was nothing to prevent the Minister of Agriculture from putting an item in if he so desired. Apparently the Minister of Reconstruction and Supply did not desire to put it in his estimates. I should like to read to the Minister of Agriculture what he said last year when this matter was discussed. I am reading from page 2025 of *Hansard* of May 30, 1946:

> Ever since about 1938 we have been doing a certain amount of engineering work on the project. The engineering work which is now being done is the checking of that work by an expert . . .
>
> I would hesitate to say that we shall be in a position this summer to call for tenders on the work . . .
>
> Mr. Quelch: There is a good chance of going ahead next year, then?
>
> Mr. Gardiner: I think so.

I was wondering whether the minister could give a progress report on the Red Deer diversion and what likelihood there is of the government proceeding with the project in the very near future.

Mr. GARDINER: The engineering report on the Red Deer diversion, that is the P.F.R.A. report, came to me about a month ago. It has been gone over with the idea of checking the amounts that it is likely to cost, and the report has now been referred to the consulting engineer. That is the stage at which it is now; but I did discuss the matter with the government of Alberta last January when I was in Edmonton. The understanding that we had after the discussion was that the St. Mary project would be proceeded with as rapidly as possible as the first project, and second in importance, consideration should be given to a completion of the Bow river project which has been underway for a long time and that we should follow that up with the Red Deer project. I am quite satisfied that with the programme which is ahead of us it would not be possible to start with the Red Deer programme this year. If we go on with the St. Mary project and spend the money which is voted, $1,500,000 on the St. Mary project and then proceed with the same work on the Bow river project, costing probably a quarter of a million dollars the work on the Red Deer will have to stand over until another year, even if the reports that we get are satisfactory to proceed upon. At the moment I am not in a position to say whether we can secure money for that purpose a year from now, but we have money sufficient to take care of the engineering and all the investigational work which is being done.

[Mr. Quelch.]

Mr. QUELCH: Can the minister say whether the reason the government cannot proceed with the Bow river project at the same time as the St. Mary project is largely a matter of cost, or is it the difficulty of getting the necessary men and materials to do the work?

Mr. GARDINER: It is a combination of both.

Mr. McCULLOUGH (Assiniboia): I was very glad to hear what the minister had to say to the effect that he was not satisfied with the appropriations made for these two large projects for the twofold purpose of irrigation and power. I should like to support the hon. member for Moose Jaw who indicated that, in effect, we are just spending what might be termed a drop in the bucket as compared with what is necessary to develop our rivers in this country so that we might be able to have a more stable economy, not only in such areas as I come from in Saskatchewan, but also in some of the other large sites which have been mentioned here this evening. Anyone who has lived through the depression in the drought areas as I have will recognize that there is a great deal that can be done if we vote the money and scientifically attack this problem.

Since I have been a member representing the constitutency of Assiniboia—and I refer specifically to the Souris river project—I have been most interested in the development of the project. I have gone down there and inspected it to the best of my ability and have made recommendations to the Department of Agriculture. The authorities of the P.F.R.A. tell me that the Souris project lends itself to irrigation perhaps better than any other project in Saskatchewan. I have also gone with the provincial member for the constituency of Souris-Estevan and interviewed P.F.R.A. officials. I am told that we can irrigate from 3,000 to 10,000 acres in that area cheaper than perhaps any other area in the province. I say to the minister I believe that this is a project which, if given the attention of his department, can be developed to take care of thirty or forty returned men, preferably, and set them up on a basis of permanent homes. They could take thirty to eighty acres of land irrigated by the pump system and go into intensive farming, producing vegetable market gardens. In addition to that, they could have running back from the main irrigated projects tracts of land where they could have dairy herds. I say to the minister that this project would lend itself to further development whereby we might be able to set up cooperative canners to take care of the truck farming

which I believe is feasible there. I would urge the minister to give cooperation to the provincial government which is giving support to this idea so that we might see something come out of it in the near future.

Mr. McKAY: Would the minister indicate what progress has been made with regard to the Wascana creek and Many Bones creek project in the Regina-Sedley area?

Mr. GARDINER: The engineering work has all been done in relation to it and the cost determined around $125,000. The possibility of sharing the cost has been discussed with the provincial government and an agreement has been reached that an amount should be paid by each, but we did not think it wise —it was brought up last year and the engineering was completed then—to take anything out of the $3 million, which is the item under which that would come if it were being done as against putting in dug-outs and small dams to provide stock watering supplies for the farmers at the present time. It may be that in due course we shall proceed with it.

Mr. McKAY: Is it planned to build one or more?

Mr. GARDINER: Either two or three.

Item agreed to.

Special—

33. To provide for assistance to encourage the improvement of cheese and cheese factories, $1,700,000.

Mr. DANIEL: This is to provide for assistance to encourage the improvement of cheese and cheese factories, and there is a reduction of $300,000 for the coming year. My observation would be that within ten or fifteen years we may be able to do away with this item altogether. The hon. member for Lanark the other night mentioned the fact that there were twenty fewer cheese factories in eastern Ontario than there were the year before. In western Ontario it may not be quite as bad as that, but what is happening up there? If this trend of events continues for another ten or fifteen years we shall have a few cheese factories left there, because what is happening in western Ontario is this. A man improves his factory, gets it in first-class working shape, and one of the large concentrated evaporated milk plants comes along and buys that factory. That does not necessarily put the factory out of business as a cheese factory, because at certain times of the year, when there is a flush of milk, they do make cheese, but in the winter months when milk is short they take the milk for their concentrated milk plants. Therefore the minister would do well to see what can be done to encourage the production of cheese. I am not blaming him for this condition. I am not blaming the government, nor am I blaming those men who get an opportunity to sell factories and make a good profit; and I cannot blame the manufacturers of concentrated milk for buying a factory. But it is a condition that will certainly put the cheese factories out of business, in western Ontario at least, in the not too distant future.

Mr. TUSTIN: I should like to ask the minister how this $300,000 reduction comes about. Has the minister definitely made up his mind that production of cheese will be so much less this year that he will not require the $300,000? I notice that $250,000 of the $300,000 is taken off the premium to be paid on quality cheese. There is no doubt that this premium on quality cheese has done much to increase the quality of cheese in this country, and I should think the minister ought not to make reductions at this particular time. Last night he endeavoured to tell us that cheese production in Ontario and Quebec was a month behind that of other years. If that should be the case, there may be a considerable increase in the production of cheese within the next few months, and it may be necessary that this amount of money should then be in the estimates in order that subsidies can be paid on this quality cheese. The other $50,000 is taken off the improvement of cheese factories, and I should like to ask the minister why there is the reduction of $50,000 in that regard.

Mr. GARDINER: The amount of decrease is $50,000 on construction subsidies and $250,000 on the premiums. The reason is partly as suggested, that there is anticipated a reduction in cheese production. There was a reduction last year. When we put through the vote of $2 million a year ago we were anticipating a larger production than we actually had, but it was estimated when these estimates were prepared that there would be some further reduction. That partly takes care of it. It does not make any difference whether there is or is not. If claims are made and amounts are due, under the legislation we must find the money. This is only an estimate of what we think will be required, and if more is required we shall require to have a supplementary next year to cover it. It will have to be paid whether it is in this vote or not, because the legislation provides for it.

Mr. TUSTIN: I realize that, and I realize the difficulties that some factories have had in the past. When it was late in the season and the Department of Agriculture claimed

they had not more money left in these appropriations a considerable part was held up for some months before it was paid to the factories. I know of a number of factories that had to go to the bank and borrow money to pay subsidies to their patrons while they waited for several months to receive their money from the department.

Mr. GARDINER: I am told that none of these cases happened in connection with the federal government. There are provincial subsidies too, you know.

Item agreed to.

Special—
35. To provide for administrative expenses, Agricultural Prices Support Act, 1944, $60,000.

Mr. BROOKS: This item has to do with the Agricultural Prices Support Act. In 1945, at the dominion provincial production conference it was requested, I believe, that there be a certain acreage of potatoes in New Brunswick. The amount was 68,700 acres. The farmers planted 68,700 acres of potatoes and had an excellent crop. As a matter of fact, it was so good that they could not find a market for it. The agricultural prices board, I believe, guaranteed the farmers in New Brunswick that if they would sell their potatoes to the starch factories they would get a price of $1.65 a barrel. I understand that is correct. In the constituency of the hon. member for Victoria-Carleton (Mr. Hatfield), who is away on account of illness, and who is interested in this matter, there were two starch factories, and the day after the prices board agreed to pay this price one of the starch factories was burned, with the result that the farmers could sell only a small quantity of surplus potatoes to another factory at Grand Falls, New Brunswick. The minister's department has received petitions from the potato producers of that section asking that, in view of the fact that this starch factory was burned, the board adjust prices to the potato producers so that they receive the $1.65 which was guaranteed by the starch factory if the potatoes were sold to them.

My question to the minister is this: Is any provision being made to pay the difference between the price that the potato farmers received and the amount that was guaranteed by the starch factory? I understand that the price they received was much less than that guaranteed by the factory. Will the minister please let me know what the situation is?

Mr. GARDINER: The amount paid for potatoes diverted to processing plants under P.C. 4295 was as follows: In New Brunswick, quantity, 241,764½ barrels. The amount paid is $120,837. I think I should give these figures in hundredweights because I have not the second one in barrels. In New Brunswick, 198,763 hundredweight—

Mr. BROOKS: May I suggest to the minister that he might save time. I have not asked for the amount that was paid. He just mentioned an amount there which was small. There were some 15,000,000 barrels of potatoes produced in New Brunswick and Prince Edward Island and there were 7,000,000 or 8,000,000 which could not be sold; 300,000 or 400,000 barrels to the starch factory is only a drop in the bucket. What I asked the minister was this. On the representations of the different departments in New Brunswick for the payment of the difference between what was guaranteed if they sold to the starch factory and what they received, did the government or the prices board take into consideration the paying of this difference in view of the fact that few of the potatoes went to the starch factory?

Mr. GARDINER: I understand all that and I will get around to it in a minute.

Mr. BROOKS: I thought the minister wanted to save time, and I was trying to help him.

Mr. GARDINER: I have one more figure to give and I should like to give it. Prince Edward Island, quantity, 69,803 hundredweight, and the amount paid was $22,336.52, making a total of $143,173.52 that was paid.

The question that is raised is as to whether there was any amount paid or whether the board has decided as to whether it would make payment of the difference between what might have been guaranteed and what some potatoes might have been sold for. The answer to that is that the matter was considered and it was decided that there was not any obligation, under the circumstances, to make further payment; and that if payment were made on the basis on which it was asked for, it would require the consideration of payment, not only there, but right across Canada for the same purpose.

The other part of the answer is that eventually the potato crop was all sold at a much higher price than anyone expected it to be at the time this agreement was entered into; that is, having the whole crop under consideration, a much higher return was received than was expected. Part of that was done through negotiating a contract with Britain to take 70,000 tons from Prince Edward Island which, by the way, was more than delivered; and there is the further fact that, as is reported in the press today—I think it is editorial criticism—the Americans overdid the

job of destroying potatoes, and after they had done that, the potatoes of New Brunswick were sold at a much higher price than anyone expected they would be. As a matter of fact, at one time we were being urged to stop shipment of potatoes out of Canada in order to make it possible to keep down the price of potatoes. We did not take that action. The final position was that the potato crop of the maritimes was sold at a much higher level than anyone expected it to be.

Mr. BROOKS: That is not my understanding. As far as the United States disposal of their potatoes was concerned, there was a great waste. We know that, but the United States government paid their farmers $2.20. My understanding is that the farmers in New Brunswick received fifty cents less for the potatoes than they would have received had they sold at the price of $1.65 to the starch factories. I know there were some potatoes from Prince Edward Island—three million bushels—sold to Great Britain. But New Brunswick did not benefit to any great extent from that. As I understand the minister's statement, the government has refused to pay the difference between what the farmers would have received had they sold to the starch factories and what they actually did receive where they sold otherwise.

Mr. GARDINER: The undertaking was to take at a certain price all the potatoes which were left on May 1. As a matter of fact, there were not any potatoes left on May 1, to be supplied at that price. The potatoes were all being marketed by that time; and any potatoes that were sold before at a lower price were sold, of course, under the arrangement.

Mr. MICHAUD: I did not expect this discussion on potatoes to develop. I received a telegram. The minister just stated that all the potatoes had been marketed. I have information to the contrary.

Mr. GARDINER: They had better make their claim; that is all they require to do.

Mr. MICHAUD: There is no claim to be made; but I received a telegram—

Mr. BROOKS: There would not be much use in making a claim because the minister says they are not going to pay.

Mr. GARDINER: No. Any potatoes that are left unsold after May 1 can be offered to the government, and we have to buy them at $1 a bag. None has been offered. I think we are quite justified in saying that there are not any potatoes left, at least that can sell at a higher price.

The DEPUTY CHAIRMAN: Shall the item carry?

Mr. MICHAUD: I was not through, Mr. Chairman. The remarks I wish to make arise out of a statement the minister just made to the effect that all the potatoes are marketed. I was somewhat under that impression until I received a telegram on Friday—a copy of which was sent to the minister's secretary—from a member of the legislative assembly in Victoria county informing me that there were quite a few potatoes left. He was complaining that we were allowing United States potatoes to come into this country, with the result that this was bringing the price of our potatoes down. He asked me to make a recommendation along that line, and to try to prevent United States production from coming in, in order to enable our farmers on the Saint John river to market the remainder of their potatoes. I have not the telegram with me—it is in my office—but the minister has a copy of it. I had to leave on Friday; I just came back. The answer I received was about something else altogether, informing me that the price was above the support price. I know it is above the support price. It has been since about April 20, when the United States started buying from us. Naturally prices went up above the support price from May 1. A great many of our potatoes have been marketed, but now I understand that the farmers on the Saint John river, at Grand Falls, are complaining that they still have fifty or 100 carloads; I do not remember the figure, but the minister has it. The difficulty they are having in marketing at the present time, as represented to me, is this. Potatoes were coming in from the United States; and that has bothered our farmers on the Saint John river and prevented them from marketing their potatoes at a fair price. Has the minister any further information on this point?

Mr. GARDINER: Over the week-end they have sold fifty carloads from there to the United States. I presume they are selling them at United States prices, which are quite high. That is the reason we do not get them at $1. The agreement made months ago—last fall, as a matter of fact—was that the government would take at that price any potatoes which were left at May 1. My understanding is that there were no potatoes offering at that price on May 1, which must mean that there is a market for them somewhere at a higher price than that. Of course there are potatoes coming in from the United States now, and they are new potatoes. I presume the potatoes we had

in the diningroom today on the sixth floor were new potatoes from the United States.

Mr. BROOKS: They were not very good.

Mr. GARDINER: Those potatoes are selling at a price two or three times as much as old potatoes are selling for in Canada.

Mr. MICHAUD: Then I should like to ask if there are any old potatoes coming into Canada from the United States at this time.

Mr. GARDINER: I understand not; but there are old Canadian potatoes going to the United States.

Mr. WRIGHT: I wish to ask the minister a question or two in regard to the board that was set up. In 1944, when the Agricultural Prices Support Act was passed, as reported at page 5576 of *Hansard* for July 29, 1944, the minister said:

> . . . I make the suggestion to the house that we should content ourselves for the time being with the appointment of a permanent chairman and take two officials of the department and make them pro tem members of the board.
>
> Our intention is that the board shall immediately begin to study the relationship of the conditions which now exist to the prices which now exist and that all facts with regard to matters of that kind be made available for use immediately the war is over. If I am the minister at that time it is my intention to appoint two permanent members of the board to act with the chairman when the operative part of section No. 9 is brought into effect.

Based on that statement, I want to ask what recommendations or reports were made by the temporary board, and whether those reports are available. Various agricultural organizations have been interested in trying to find out just what work was done by that temporary board and what reports were made. I should also like to know what members have been appointed to the permanent board, and if that permanent board is making further reports.

Mr. GARDINER: An annual report was tabled last session and another this session, both of which are available to hon. members. The two new appointees are Mr. Proulx, who is a farmer in Quebec, who at one time was an employee of the Quebec government and was also employed at one time on temporary work by this government; and Mr. Earl Kitchen, a farmer of Woodstock, Ontario, who was secretary of the dairy association before his appointment. They will be making reports annually, as the other board did.

Mr. WRIGHT: Then there is an advisory board.

Mr. GARDINER: Yes, there is an advisory board of seventeen members.

[Mr. Gardiner.]

Mr. WRIGHT: Were any other reports made in addition to the annual reports?

Mr. GARDINER: Reports are made every time delegations come to see us. When a delegation comes to discuss dairy products we get a report from the board as to the situation. When they come to discuss meat products, or any other products, we get reports from the board to indicate what are the conditions.

Mr. WRIGHT: Are those public reports, or are they private within the department?

Mr. GARDINER: I would doubt very much if they are public. They are the sort of things that pass from officials to a member of the government, advising as to what the position ought to be in relation to certain things. As a rule they are not made public.

Mr. BRYCE: Does the board give support to any other product than potatoes?

Mr. MICHAUD: There was another point I wanted to bring out in connection with this item, in connection with the bonus paid for potatoes processed into starch. There was a great deal of criticism in my part of the country, particularly along the Saint John river, in regard to the date set for the guaranteed price, which was May 1. I brought up this point during the budget debate. I do not know what the next crop has in store for us, but if it should be necessary to take some action in the fall I should like to impress upon the minister, that while the action taken in regard to the bonus on processed potatoes seems to be quite satisfactory, the other part of the order in council, having to do with the board undertaking to buy as of May 1, fixes the date too late. There has been criticism by the farmers of my section of the country that when officials of the department went along the Saint John river they interviewed just a few big shots and the ordinary men could not get near them. How this date of May 1 was arrived at, I do not know.

Mr. GARDINER: It was suggested by the delegation which came here from your area.

Mr. MICHAUD: I was with that delegation, though I was not there all the time.

Mr. GARDINER: That recommendation came from them last fall, the first time they were here.

Mr. MICHAUD: I cannot think they were in their proper spirits, then, to make such a suggestion. It is altogether ridiculous. Early in the year, in January, and possibly before that they began making representations to the effect that it was too late.

Mr. GARDINER: Experience showed it to be early?

Mr. MICHAUD: I would not agree to that. As I say, because of the mistakes made by the United States government our potatoes went up in price, and the government did not have to purchase them after May 1. It was just a little short of miraculous. I again emphasize that if next year it should become necessary to do such purchasing, May 1 is much too late. This year, of course, we had snow until June and we have had rain ever since. But in ordinary years we start farming around May 1, and when we start farming the farmers do not have time to market their potatoes.

Mr. BRYCE: I am still waiting for an answer to my question. Did you support anything but potatoes?

Mr. GARDINER: No; potatoes were the only item that required to be supported. All the others were supported under the agreements made with Britain, and the floors have been maintained at higher levels than investigation would have shown it necessary to maintain.

Mr. BRYCE: Then would you tell the committee how you set a floor price? What knowledge do you go on, or whom do you consult? How do you go about it; because I know you are going to need to support a lot of things before many years. If you could give us an idea of how you go about it I can tell my constituents when they ask me.

Mr. GARDINER: What we do is negotiate a contract with Great Britain, under which we get the highest price possible. Then we calculate whether that contract price bears the relationship we indicated should be maintained as compared with the last three years of the war. So far, all those prices have more than taken care of what we undertook to take care of.

Mr. WRIGHT: That is hardly right. You had not negotiated a contract with Great Britain—

Mr. GARDINER: I do not like the way in which my hon. friend, after asking a question, keeps telling me that what I have said is not right. Last night it was not true; tonight it is not right. I do not know what the difference is, but my statement is right.

Mr. WRIGHT: You will admit that you did not negotiate a contract with Great Britain on potatoes.

Mr. GARDINER: I am not talking about potatoes. The hon. member was asking about other products.

Mr. WRIGHT: He asked about potatoes, too, and that was the answer you gave. We have not a contract with Great Britain for all these things.

Mr. GARDINER: In the case of potatoes we took the recommendation of the committee that came here representing the potato people, as I said before.

Item agreed to.

Special—

36. To reclaim and to prevent the flooding of valuable agricultural lands in the valley of the Lillooet river, near Pemberton, B.C., $100,000.

Mr. REID: I have one or two questions to ask the minister, and also something to say about this item.

Some hon. MEMBERS: Eleven o'clock.

Mr. REID: If you want to go on it is all right with me. I want some information concerning this item.

Mr. GARDINER: I think we can clean it up in a few minutes.

Mr. REID: This is an item of $100,000 to reclaim and to prevent the flooding of valuable agricultural land in the valley of the Lillooet river. I am wondering why the dominion government has gone in there. I notice that project No. 1 covers 2,604 acres, 2,000 acres of which are Indian lands. My information is that the Indian branch recommended that money should not be spent in there. A little while ago the hon. member for Fraser Valley asked that something be done to prevent erosion and washing away of the banks of the Fraser river, but he did not get very much support. We have to go back to our people and tell them why the dominion government are going to spend nearly half a million dollars in connection with land which some of us think is not worth very much. Project No. 1 will cost $131 per acre and some of us are wondering who asked for this to be done. Is the provincial government putting up any money? Are the farmers putting up any money? I have been through this district, and if the dominion government is to come into our province to do this kind of thing I can point out more valuable land where the farmers have had to carry the load for many years. I want to ask some more questions on this item.

Item stands.

Progress reported.

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

Wednesday, June 18, 1947

The house met at two o'clock.

PETITION

HUGH KIRKPATRICK AND OTHERS—BILL OF RIGHTS—POINT OF ORDER, MR. DORION—RULING, MR. SPEAKER

The Clerk of the House laid upon the table the 47th report of the clerk of petitions stating that he had examined the following petition presented on the 9th instant by Mr. Stewart, viz:— of Hugh Kirkpatrick, of Nanaimo, B.C., and allegedly 500,966 other Canadians, praying that the British North America Act be amended by inserting therein a bill of rights; and finds that all the requirements of standing order 68 have been complied with.

Mr. FREDERIC DORION (Charlevoix-Saguenay): Mr. Speaker, I rise to a point of order. The rules concerning the presentation of petitions are found in standing order 68, section 7 of which reads as follows

On the next day following the presentation of a petition the Clerk of the House shall lay upon the table the report of the clerk of petitions upon the petitions presented and such report shall be printed in the *Votes and Proceedings* of that day. Every petition so reported upon, not containing matter in breach of the privileges of this house and which, according to the standing orders or practice of this house, can be received, shall then be deemed to be permitted to be read and received.

My contention is that this petition contains irregularities that make it non-receivable. The practice of this house to which section 7 which I have quoted refers is well defined in paragraph 591 of "Beauchesne" third edition, which reads:

The language of a petition should be respectful and temperate and free from disrespect to the Sovereign, or offensive imputation upon the character and conduct of parliament, or the courts of justice, or other tribunal, or constituted authority.

I refer Your Honour to the fourth paragraph of the petition, which reads as follows:

That recent experiences of Jehovah's Witnesses in the province of Quebec prove that throughout the whole dominion basic personal rights are open to attack and loss because of a failure to have them guaranteed by a written constitution.

The words "recent experiences in the province of Quebec" cannot mean anything else than the legal proceedings that were instituted against Jehovah's Witnesses. Therefore this paragraph constitutes an offensive imputation upon the character and conduct of the courts of justice, which, as is well known, have already rendered decisions on the conduct of Jehovah's Witnesses.

There is another reason why this petition is irregular. It is also a well known fact that matters pertaining to the conduct of Jehovah's Witnesses are at the present time under consideration by some tribunals, namely, courts of the sessions of the peace and the Supreme Court of Canada. Therefore, as it is a matter *sub judice,* it should not form the subject of a petition before the House of Commons.

Mr. SPEAKER: I should like first of all to say to the hon. member that I am very grateful to him for being kind enough to advise me of his intention to raise a point of order today when the report of the clerk of petitions came before the house, because it gave me an opportunity to study the matter.

The petition of Hugh Kirkpatrick of Nanaimo, British Columbia, and 500,966 other Canadians was presented in the house on the 9th instant by the hon. member for Winnipeg North (Mr. Stewart). Paragraph 4 thereof reads as follows:

That recent experiences of Jehovah's Witnesses in the province of Quebec prove that throughout the whole dominion basic personal rights are open to attack and loss because of a failure to have them guaranteed by a written constitution.

The hon. member for Charlevoix-Saguenay (Mr. Dorion) takes exception to this allegation on the ground that there is now before the courts of the province of Quebec a case connected with the activities of Jehovah's Witnesses in that province. The hon. member's contention is that the matter, being *sub judice,* cannot be dealt with on the floor of the House of Commons.

I have failed to find any authority or precedent justifying the contention that a petition cannot be received on the ground that it refers to matters before the courts. There is no reflection on the courts of Quebec in the statement that recent experiences prove that personal rights are open to attack and loss. As a matter of fact I am inclined to think that, as long as the case on trial is not discussed but only referred to, a petition referring to it is quite in order. The prohibition referring to *sub judice* matters applies particularly to debates but it cannot curtail a citizen's right to present a petition. All authorities agree that the right of petitioning parliament for redress of grievances is acknowledged as a fundamental principle of the constitution. It has been uninterruptedly exercised from very early times and has had a profound effect in determining the main forms of parliamentary

procedure. The historical aspects of petitioning were originally directed to judicial rather than legislative remedies.

In 1669, the Commons of England passed a resolution declaring that it is the inherent right of every commoner to prepare and present petitions to the House of Commons in case of grievances and the House of Commons to receive the same; that it is an undoubted right and privilege to judge and determine, touching the nature and matter of such petitions, how far they are fit and unfit to be received. The mere mention of recent experiences in the province of Quebec with respect to personal rights is not sufficient to deprive petitioners of their right to request that the British North America Act be amended so as to empower parliament to pass a federal bill of rights in order to secure freedom of speech, press and worship to all people in Canada. The report of the clerk of petitions is in order in the statement that all the requirements of standing order 68 have been complied with and there can be no objection to the petition being received.

CANADIAN NATIONAL RAILWAYS

ADVANCES FOR ACQUISITION OF TRANS-CANADA AIR LINES CAPITAL STOCK

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): In accordance with the provisions of section 28 of the Trans-Canada Air Lines Act, 1927, I desire to lay on the table a copy of order in council P.C. 2009 of May 23, 1947, respecting advances to the Canadian National Railway Company to enable the company to acquire the remaining capital stock of Trans-Canada Air Lines.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

FAMILY ALLOWANCES

Mr. WRIGHT:

1. With what provinces have agreements been reached for the provincial department to handle family allowance investigation work?
2. What are the financial arrangements with each province in the carrying out of this work?

Mr. MARTIN: Stand.

Mr. WRIGHT: This question has been on the order paper for a month. It is a simple question, asking with what provinces have agreements been made with regard to investigational work on family allowances and what the financial arrangements are. I should like to ask the minister why this question is not answered, or when it can be answered.

Mr. MARTIN: As the hon. gentleman knows, I would not keep him waiting very long if I could possibly avoid it. Since we have the same objective in mind I hope he will allow the matter to stand for a little while longer. As he appreciates, the matter is one which involves many factors. I shall do my best to give an answer to his important question at the earliest possible moment.

MIGRATION TO BRITISH COLUMBIA FROM OTHER PARTS OF CANADA

Mr. FULTON:

1. What is the total number, by provinces, of those who have moved from other parts of Canada into the province of British Columbia in each year since the 1st January, 1943?
2. Are any figures available for the current year?

Mr. MacKINNON:

1. No information. Although there are no available statistics on the number of persons, by provinces, who have moved from other parts of Canada into the province of British Columbia in each year since the 1st of January, 1943, an estimate has been made, based on the count of ration book distribution, of the net internal migration by provinces for the periods 1941 to 1944 and 1944 to 1946. These estimates show that there has been a net inflow of population into British Columbia of 89,000 between 1941 and 1944 and a further net migration into the province of 56,000 between 1944 and 1946. Since the estimated net movement out of the prairie provinces between 1941 and 1944 was 126,000 and between 1944 and 1946, 101,000, it would appear that most of the gain in population in British Columbia over this period due to internal migration was from the movement of the people from the prairie provinces to British Columbia.

2. No.

HOLLAND, BELGIUM AND LUXEMBOURG—
—AGREEMENT CREATING ECONOMIC UNION

Mr. CHURCH:

Is the government a party to the agreement or treaty made with France by Great Britain as to an economic union of these two countries, and for an economic union with Holland, Belgium and Luxembourg?

Mr. ST. LAURENT: No. No agreement has been concluded by the United Kingdom and France regarding an economic union between the two countries. Holland, Belgium and Luxembourg alone are parties to the instruments of agreement creating an economic union between these three countries.

TRADE MISSION TO CHINA

Mr. CHURCH:

1. Has any trade mission gone to China, and with what results, and is there yet any improvement in the economic conditions of that country?

2. Is the government aware of the trade treaty recently made with America by China, and is a similar trade treaty under way on behalf of Canada with China, or is one being sought there yet?

Mr. MacKINNON:

1. No trade mission has been sent to China, but Canada maintains in addition to the Canadian embassy at Nanking, a senior trade commissioner at Shanghai who is keeping the government constantly informed of trade conditions. Economic conditions remain very uncertain and trade greatly restricted without immediate prospects of improvement.

2. A treaty of friendship, commerce and navigation between the United States of America and the Republic of China was signed on November 2, 1946. The treaty provides for the reciprocal most favoured nation treatment between the two countries.

A commercial modus vivendi between Canada and China was completed on September 26, 1946, in Nanking by an exchange of notes between the Chinese government and the Canadian ambassador to China. The modus vivendi provides for the reciprocal exchange of unconditional most favoured nation treatment. This means that the products of each country on importation into the other country will not be subject to customs duties or charges greater than those which apply to any third country. Similarly any concession which either Canada or China may grant in the future to a third country will be automatically extended to the other. Thus imports into Canada from China will be subject to the intermediate tariff and lower rates rather than the general tariff as heretofore. The tariff treatment which Canada affords to British countries is specifically excepted from the operation of the modus vivendi so that the British preferential system is not affected by it.

COUNCIL OF FOREIGN MINISTERS

Mr. CHURCH:

When is the next meeting of the Moscow conference powers, Great Britain, Soviet union and the United States, to be held, and where, and what is the agenda postponed from the Moscow meeting to the next meeting?

Mr. ST. LAURENT: The next full meeting of the members of the council of foreign ministers who participated in the recent Moscow conference will be held in London in November. If, however, the foreign ministers of the United Kingdom, the United States of America, France and the U.S.S.R. are all present at the meeting of the general assembly of the united nations which is scheduled to take place in September, a brief meeting of the council of foreign ministers may be held at that time. No information is available concerning the agenda for these meetings.

QUESTIONS PASSED AS ORDERS FOR RETURNS

BELLEVILLE ARMOURIES

Mr. STOKES:

1. Has any day or piece work been done in connection with repairs or alterations or otherwise of the armories at Belleville, Ontario, since 1st of January, 1944?

2. If so, what is the total amount of said work done in each of the years 1944, 1945, 1946 and 1947 to date?

3. To what persons has payment been made for such work or repairs and how much has been paid to each, and, if not all paid, what are the amounts owing to each of said persons as of this date?

RESERVE ARMY AND CADET TRAINING

Mr. PROBE:

What amount of money has been spent, by military districts or by provinces, in each of the fiscal years from April 1, 1937 to March 31, 1947 for: (a) reserve army training; (b) cadet training?

MOTION FOR PAPERS

PEACE TREATY WITH JAPAN—JAPANESE TEXTILE INDUSTRY

Mr. CHURCH:

For a copy of all letters, telegrams, cables, orders in council and other documents exchanged between the government of Canada or any officer thereof and the governments of Great Britain, Australia and the United States of America, or from General MacArthur and the Right Hon. Dr. Evatt of Australia, in relation to the proposed peace treaty with Japan. Also any correspondence with respect to the rebuilding of the textile industry in Japan to a pre-war standard, as proposed by the United States of America.

Mr. ST. LAURENT: I understand that the hon. member is prepared to allow this motion to stand, and I think together we can perhaps modify it and put it in a form in which it can be adopted.

Motion stands.

TRANS-CANADA AIR LINES

ARRANGEMENTS FOR SERVICE TO BERMUDA

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to direct a question to the Minister of Reconstruction and Supply. In view of recent press reports, and in particular

a dispatch from Washington which appeared in the Montreal *Gazette* on June 17, regarding the delay in initiation of Canada's air service to Bermuda arising out of difficulty over use of the United States airport there, would the Minister of Reconstruction and Supply care to make a statement which would clarify this situation?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): The following statement has been prepared in answer to this inquiry.

The Canadian government has for long made no secret of its intention to operate an air service southward through Bermuda and the Caribbean area to Latin America. The necessary agreement has been reached with Bermuda and with Trinidad and Jamaica regarding traffic rights, and Trans-Canada Air Lines is anxious to initiate the service at the earliest possible day. In fact this service would have been in operation considerably before this time if it had not been for difficulties arising out of the use of Kindley field, which is the only available air base in Bermuda.

This base, along with certain others in British colonial possessions in the Caribbean, is a United States army base obtained in the destroyer-bases deal during the recent war. It is available for civil use by the United States and by the United Kingdom, of course, but the question of its civil use by the air lines of other countries was left for agreement between the United States and the United Kingdom, and until such agreement has been reached the civil aircraft of other countries are not, apparently, allowed to use the field.

The Canadian government, of course, made known a considerable time ago its desire to use Kindley field, and discussions between the United Kingdom and the United States have, we understand, taken place regarding civil use of this and other United States military airports in British possessions farther south. We also understood that general agreement in principle had been reached between the United Kingdom and the United States on this subject. The United Kingdom has informed us that it would have no objection to immediate use of Kindley field by Trans-Canada Air Lines. However, we are informed that the United States is unwilling to permit any temporary use of Kindley field by Trans-Canada Air Lines or the air lines of any country—other than the United States and the United Kingdom—until formal agreement with the United Kingdom regarding civil use of this and other bases concerned has been signed. We are also informed that the United States does not wish to sign this agreement unless and until an agreement is signed covering similar use of United States military bases in Newfoundland. Negotiations between the Newfoundland commission of government and the United States in this connection have been going on over a long period of months, but no final agreement has as yet been reached. Meanwhile the United States has not allowed Trans-Canada Air Lines to make use of the air base in Bermuda until it has reached agreement with Newfoundland regarding similar use of United States bases there as a prerequisite to signature of the United Kingdom-United States agreement regarding the base in Bermuda. Until that time, therefore, the Canadian air service to Bermuda and farther south must, much to our regret, be deferred.

We, of course, are not a direct party to any negotiations regarding the bases in Newfoundland, and all we have been able to do is to make known our hope that this matter may be cleared up speedily.

PUBLIC BUILDINGS

FLAG ON POST OFFICE BUILDING IN QUEBEC CITY

On the orders of the day:

Mr. JEAN FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, I have something very sad to tell you. During the week-end I passed though Quebec city and there was a flag on the mast over the post office. It was a red duster with a big hole in it, and many Americans who were there in convention asked me, "Is this the pattern or design of your flag?" A flag with a big hole in it! I hope it will be changed. Moreover, I would ask the government not to allow that flag to be hoisted after sundown.

DOMINION DAY

INQUIRY AS TO SUSPENSION FOR JULY 1 OF ORDER RESPECTING MEATLESS DAYS

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, I should like to ask the Minister of Finance a question. Does the government intend to waive the meatless days regulation on our national holiday, July 1? If not, why not?

Hon. DOUGLAS ABBOTT (Minister of Finance): The prices board issued a statement the other day announcing that the requirements with respect to meatless days were being relaxed to the extent of allowing frankfurters and weiners, otherwise known as hot dogs, to be sold on that day—as a matter of fact, to be sold on Tuesdays and Fridays from now

until the end of September at outdoor events, picnics, and the like. Apart from that, it is not proposed to relax the restrictions with respect to meatless days.

Mr. CRUICKSHANK: What about the second question—why not?

Mr. ABBOTT: The answer to that is that the continuance of restrictions with respect to meatless days results in a substantial saving of meat which is thereby available for shipment to needy countries.

Mr. CRUICKSHANK: One day?

CRIMINAL CODE

RACE MEETINGS—ADMINISTRATION AND SUPERVISION OF PARI-MUTUEL BETTING

Right Hon J. G. GARDINER (Minister of Agriculture, for the Minister of Justice) moved the third reading of Bill No. 268, to amend the criminal code.

Mr. E. G. McCULLOUGH (Assiniboia): Mr. Speaker, before this bill is given third reading there are a few words I have to say about it.

Mr. SPEAKER: I am sorry to interrupt the hon. member, but the question had already been put to the house and no one had risen to speak.

Mr. COLDWELL: Mr. Speaker, I doubt whether you heard the hon. gentleman, but when you rose he was on his feet trying to make himself heard.

Mr. McCULLOUGH (Assiniboia): The purpose of this bill is to amend the criminal code to give certain rights to people in this country to undertake and run pari-mutuels at different affairs throughout the land. I feel that this is a type of legislation which no hon. member should support, and I say that mainly because it gives to certain people in Canada the right to carry on pari-mutuels while it is discriminatory in that it prohibits other associations from undertaking dog racing and car racing.

I do not rise to support betting or pari-mutuels. I rise to protest against the fact that we have here a situation wherein wealthy people, race horse owners in this country, are given the right to carry on pari-mutuels at our fairs under the jurisdiction of the Minister of Agriculture. I submit that if the government sees fit to allow any type of gambling of this sort it should not pass an amendment such as this which, as I have pointed out, is discriminatory. On that ground also I protest. I feel that if we are to have a provision

of this kind it should apply to other associations such as dog racing. They should have the same privilege.

In conclusion, I wish to protest the whole affair. I do not think that this house should pass such legislation at all.

Mr. SPEAKER: Shall the motion carry?

Some hon. MEMBERS: On division.

Motion agreed to, on division, and bill read the third time and passed.

OLD AGE PENSIONS

INCREASES IN AMOUNTS AND INCOME ALLOWANCE —MODIFICATION OF ELIGIBILITY REQUIREMENTS

Hon. PAUL MARTIN (Minister of National Health and Welfare) moved the second reading of Bill No. 339 to amend the Old Age Pensions Act.

Mr. BRACKEN: Surely we shall have a statement from the minister before second reading.

Mr. MARTIN: I think all hon. members will agree with the leader of the opposition that the house will expect a comprehensive statement about this measure.

Mr. Speaker, the bill which is introduced by this resolution represents another forward step taken by the government of this country in the building of an adequate social security programme for the Canadian people. It has particular significance because of the fact that the legislation which is being amended by this bill represented, when it was passed in 1927, the first occasion on which the federal authority in this country assumed responsibilities of a permanent nature in the public assistance field. Prior to that date action had been taken with respect to labour legislation including the establishment of fair wage legislation and the provision of a scheme of government annuities. We have now had a continuous period of twenty years through which the federal authority has maintained, and indeed from time to time increased, its commitments with respect to the care of the needy aged in all parts of the dominion.

This government has given conclusive evidence of its concern for the welfare of the aged among our population. It was a government under the leadership of the present Prime Minister (Mr. Mackenzie King) that first introduced the Old Age Pensions Act in 1927. Through the amendments and changes which have been made since that time up to the present, the intention of the government has been to make easier the lot of our older citizens who had need of financial assistance.

It is important at this stage to recall the proposals the federal government made in August 1945 to the provinces with respect to a programme covering national health, public investment and social security. These proposals include a suggested scheme for a national old age pensions and old age assistance programme of a fundamental character.

What we do now must be consistent with the dominion government's proposals to the provinces. We have a plan and it is a good plan. What we do today must not in any way prejudice the over-all plan. I would remind the house that the proposals of the dominion government with regard to old age pensions, and indeed in the whole field of social security, remain an essential part of the government's programme as has been repeatedly stated by the Prime Minister, the Minister of Finance (Mr. Ilsley), the Minister of Justice (Mr. St. Laurent) and myself.

The Old Age Pensions Act of 1927 originally provided for a $20 monthly maximum pension totalling $240 a year, with an outside maximum income of $125 a year apart from the pension. I ask hon. members to bear these figures in mind in the light of what the government is now proposing in the present amendments.

Later amendments to the act were made which, without increasing the benefits to the pensioners themselves, relieved the provinces of a considerable share of the pension cost by increasing the federal government's percentage of contribution from 50 per cent to 75 per cent and correspondingly reducing the provincial share from 50 per cent to 25 per cent.

The first occasion on which the scope of the act itself was widened was when the then government of Canada, under the leadership of the present Prime Minister, introduced amendments to provide additional categories of pensioners, extending the benefits of old age pensions legislation to the blind.

In addition to this, since 1942 a number of the provinces have been paying supplementary allowances to pensioners in addition to payments made by the provinces and the federal government jointly under the Old Age Pensions Act itself. These payments have ranged in amount from nothing at all in some provinces up to $10 monthly in British Columbia.

In 1943, action was taken by this government under the War Measures Act to increase the maximum pension payable from $20 to $25 a month, and, a few months later, to increase the maximum income allowable under the act from $365 to $425 a year, inclusive of pension.

Finally, as a result of the meeting of the interprovincial old age pensions board in November, 1946, a complete revision of the regulations under the Old Age Pensions Act was undertaken and made effective on May 15 of this year. These regulations are now considerably more generous than they were before, particularly in making it possible to set the commencement date of pension back to the month following application, and in respect to the interpretation of residence and the calculation of income. More generous provisions have also been included dealing with the kinds of evidence that can be accepted as proof of age. The effect of these new regulations, which relax the present restrictions applying to applicants for pension and to the circumstances under which pensions may be granted, will be to add an additional half a million dollars yearly to the cost of old age pensions.

I would point out, however, that the government has for some time now made clear its desire to introduce comprehensive and sweeping changes in the provision for the aged and the blind throughout this country. Hon. members know of the proposals which were advanced by the dominion government to the provinces in the conference of August, 1945. These proposals fall into three main categories—public investment, social security and tax reform.

As part of its programme in the field of social security, the federal government proposed a system of national old age pensions. This provided for the federal government to assume the full responsibility for paying pensions at the rate of $30 a month to all persons in Canada seventy years and over. The federal government proposed these pensions for all eligible persons without any income or means test whatsoever, and the federal government proposed to administer this scheme directly and bear 100 per cent of the cost, amounting to an estimated $200 million annually.

In addition to this, the federal government also undertook to pay, on a fifty-fifty basis with the provinces, the cost of pensions to the aged between the ages of sixty-five and seventy years and to the blind from the age of twenty-one. This was to be subject to a means test more generous than at present and was to be paid on a basis of $30 a month pension. The provinces were, under this proposal, to administer this scheme and the cost of this part of the programme was estimated at a total of $34 to $40 million annually, with the federal government's share of this approximately $17 to $20 million annually.

This, in broad outline, represents the proposals made by the federal government to the provinces with respect to the aged and the blind. These are an integral part of the

objectives in social security which this government has set for itself as soon as satisfactory over-all arrangements on social security, fiscal and other matters can be made with the provinces.

I mention these proposals at this point because I wish hon. members of this house to see not only the background of the various steps that have already been taken by the government of this country with respect to provisions actually in existence for the aged and the blind, but also the plans which we have laid before this country as to the direction in which, with the cooperation of the provinces, we hope to move.

The government has also indicated in its proposals to the provinces, and elsewhere, the advantages of a more strictly contributory system of old age insurance. The principal advantage of a contributory system is that, like the universal pension scheme, it offers payment as of right to persons reaching the established retirement age who have paid into a fund specifically created by joint contribution for that purpose. It removes the fear of destitution without impairing the dignity and self-respect of the person who reaches the later stages of life and is no longer able to maintain himself by his own earning effort.

In most respects, the contributory system of old age insurance shares common advantages with the universal pension scheme at seventy contained in the dominion's proposals to the provinces. To quote from the dominion government's proposals:

> Payment of pension as of right to people of this age offers the best kind of economic security. It removes fear of destitution much more certainly than any other method, and relieves the old people of the necessity of seeking work, or of endeavouring to keep on working in unfavourable circumstances and beyond the age at which they should be able to retire, without dependence on charity or burdening the family. In addition to providing a minimum subsistence for those with no other resources, this system would enable other persons with moderate private savings to retire from active work sooner, or in more comfort, than would otherwise be possible.

I make reference to this inclusion in the explanatory features of the proposals made to the provinces to show that the government has in mind what the Prime Minister stated in this house a number of years ago to be ultimately the kind of pattern in respect of social insurance which we must envisage in this country. Admittedly in a country like ours, with great open spaces, a federal state, a contributory system along the lines I have been talking about is not as feasible as it is in some unitary states; and certainly the far-flung rural parts of our provinces do present difficulties in the consideration of such a scheme. My own belief is that we must ultimately look to the establishment of such a system, perhaps beginning in stages, and that our long range plans should be directed toward that desirable goal. It would therefore be a mistake—and I say this with all the seriousness that I know hon. members will recognize in my approach to this problem—to take any action now which would result in placing additional obstacles in the way of what I believe to be a desirable objective.

I have already said that in the consideration of this measure one must bear in mind the broad scheme of social security envisaged by the government in its proposals made to the provinces twenty-four months ago, and which, in its general objectives we believe meets the wishes of the great majority of the people of this country.

No greater disservice could be rendered to those who support the desirability of a broad social security system than to throw out of balance particular phases and destroy the desired ultimate pattern. That pattern is in the thoughts of the present administration now as it was when it laid before the provinces its objectives in the field of health, public investment and social security. I say with great respect that pattern hon. members should keep before themselves in the discussion of this measure. No one has stated that pattern in terms of general objectives better than the Prime Minister of Canada, who, speaking before the annual convention of the American Federation of Labour in Toronto on October 9, 1942, declared:

> The era of freedom will be achieved only as social security and human welfare become the main concern of men and nations. It is necessary that social security and human welfare should be expressed in definite terms—of the kind of objectives I have in mind I would merely mention the following as a national minimum; useful employment for all who are willing to work, standards of nutrition and housing adequate to ensure the health of the whole population; social insurance against privations resulting from unemployment, accident, the death of the breadwinner, ill health and old age.

That, coming from a man whose whole life has been devoted to placing the general above the particular interest, I know will be accepted by this house as a serious statement of direction. Also this matter we are now discussing must be considered in the light of the solid and responsible basis which has been already provided for in the growing structure of social security which stage by stage we are building in this country. I am thinking in particular of the Unemployment Insurance Act of 1940 which today protects from the hazards of unemployment over 2½ million Canadian workmen and serves as a major bulwark of

social security. I am thinking also of the Family Allowances Act of 1944, also initiated by this government, which today brings to 3,600,000 Canadian children in 1,600,000 homes the means of ensuring better opportunities and a better standard of living. By this single measure alone we have been able to provide an increased measure of security to fully one-half of the total population of our country. Two-thirds of the entire population of Canada are benefited directly either by the protection afforded through unemployment insurance or by the increased social well-being offered through our family allowances legislation.

We must also take note of the important social security measures extended through the Department of Veterans Affairs, its grants for land and housing, its reestablishment credits, out-of-work benefits, retraining in vocational and trade schools; its underwriting of university courses for our veterans. The Department of Veterans Affairs programme for the rehabilitation and reestablishment of veterans is the most generous and comprehensive that any country has provided for its servicemen and women, and forms a part of the structure of social security.

When one considers the extent and coverage of our present fourfold programme of unemployment insurance, family allowances and veterans legislation, and our present benefits for old age pensioners, together with what I am proposing in the amending bill, one recognizes the basis for the statement that fully three-fourths of the people of Canada today come directly under the protection of these four measures which we have established as the cornerstone of our social security structure in Canada.

The present Old Age Pensions Act which we are discussing today already provides assistance to something like forty per cent of our total aged population seventy years and over. The figures supplied to us by the provinces show that as of the end of March, 1947, no less than 209,000 aged persons and 7,000 blind persons were in receipt of pensions under the legislation as it exists today. This represents in some provinces as high as sixty per cent of the total aged population.

The measure which is being introduced today will make it possible for the provinces to increase by twenty per cent or more the assistance which has been given to date to this substantial section of our aged population. Where, because of outside income, pensioners have not been receiving the full pension, the increase which the provinces will be enabled to give under the new legislation will be even greater than twenty per cent.

Of equal importance, if not greater, is the fact that because of the more generous provisions which are included in this amending bill respecting the amount of outside income which a pensioner may have and still remain on pension, thousands of persons will be brought for the first time within the benefits of our old age pensions legislation.

It is estimated that when the provinces have taken full advantage of the increases in maximum income allowable for aged and blind persons which are permitted by this proposed amending bill, the result will be an increase in the pension rolls of something between 60,000 and 65,000 additional persons. In other words, when this new bill becomes law in all the provinces, fully 50 per cent of the aged people of Canada will be receiving benefits under it, and that 50 per cent comprises that section of the aged population which can genuinely be said to be most in need of outside assistance.

The financial implications of this bill deserve the most careful consideration. The provincial supplemental allowances at present being paid —and there is nothing in this bill to prevent them from being continued—amount to well over six million dollars annually. If the provinces take full advantage of these new provisions, the provincial share of old age pensions under the act itself will advance from approximately sixteen million dollars to approximately twenty-three million dollars. This will automatically mean that the federal government's share of the cost of old age pensions will rise from forty-eight million dollars to sixty-eight million dollars a year. When this bill becomes law and full effect is given to it in all the provinces, this country will be spending on old age pensioners and blind persons close to one hundred million dollars a year.

Perhaps at this stage it would be of assistance to hon. members if I were to outline the main provisions of the amending bill.

1. It is proposed, in this amending bill, to do away with the provision which has been in the act up to the present time, section 9(1), setting the maximum pension which any province is permitted to pay. Under these new amendments, therefore, the provinces themselves will be free to fix the maximum pension.

2. The amount of income which a pensioner is permitted to have, inclusive of his pension, is increased in the case of a single aged person under the proposed bill from $425 to $600 annually. The practical effect of this will be that any province will be free, if it

chooses to do so, to set a pension rate as high as $50 a month or $600 a year for a person who has no other income of his own with which to supplement his pension allotment.

In case of a married pensioner, this maximum income limit is set at $1,080 instead of $850 as at present.

In the case of a single blind pensioner the new amount of maximum income allowable will be including pension $720, whereas formerly it was $500.

In the case of a blind pensioner married to a sighted spouse, the maximum income limit is set at $1,200 whereas it was formerly $925.

In the case of two blind persons married and living together, the maximum allowable is set in the bill at $1,320.

In all of these cases the amounts mentioned are inclusive of any pension or pensions receivable by one or both spouses under the provisions of the act.

It will be seen therefore that this provision raises substantially the margins of outside income which an individual is permitted to have and still qualify for full or partial pension. Because of these higher income limits the number of aged and blind persons who will now be eligible for pension will be substantially increased. I have already stated that the department's estimate for this increase is about 60,000 additional pensioners, assuming of course that all the provinces will take full advantage of these higher income limits.

Mr. FLEMING: Does that estimate of 60,000 include blind pensioners, or only old age pensioners?

Mr. MARTIN: Both.

Mr. FLEMING: Has the minister broken down those figures?

Mr. MARTIN: We will discuss that in committee. Perhaps if I might make my statement without interruption we might discuss those points in committee, by way of question and answer.

3. The maximum federal contribution to any pension, based on the seventy-five per cent formula which has now been in existence since 1931, is increased to $22.50 in this amending bill, as compared to $18.75 at the present time. In other words, a province will be assured that, on the basis of a pension of $30 a month, it will receive reimbursement from the federal treasury to the extent of seventy-five per cent of its net payments. At the same time it will be free to provide pensions higher than $30 a month if it deems it advisable to do so.

In this connection it is interesting to note that the federal contribution has risen by successive stages from $10 per month per pensioner in 1927 to $15 in 1931 to $18.75 in 1943 to $22.50 under this present bill. At the same time, the provincial contribution which was originally $10 went down to $5 in 1931 and increased to $6.25 in 1943. Apart from the provinces which are paying supplemental allowances of $5 a month or more, the other provinces are paying less per pensioner today than they were in 1927.

Mr. MACKENZIE: Not in British Columbia.

Mr. MARTIN: I said, apart from the provinces which are paying supplemental allowances. I shall have something to say about British Columbia in a few moments which might warm the heart of my hon. friend and colleague.

4. Another feature of this new bill, which I am sure will commend itself favourably to all members of this house, involves a modification of the present residence requirements. At the present time the act states that a person must have lived in Canada for the twenty-year period immediately prior to application before he can be considered eligible for pension. While this requirement has been somewhat modified by regulation, cases of hardship still arise. Persons who were born in Canada and have lived here almost all their lives sometimes disqualify themselves for pension by moving within the twenty years, before applying for pension, to the United States or to some other country and remaining for periods in excess of the four-year limit permitted by the present regulations.

The amending bill makes provision to cover such cases. It provides that any gaps in Canadian residence during the twenty years prior to application may be compensated for by earlier periods of residence. These earlier periods of residence must be double in amount to the periods of absence during the twenty-year period before application. In other words, if a person makes application for old age pension at 70 years of age, and it is shown that he has been absent for ten years from Canada between his fiftieth and his seventieth birthday, it does not necessarily follow that that person is ineligible for pension. He can get a pension if he can prove that he resided in Canada prior to his fiftieth birthday for a period of twenty years. This provision thus compensates on a two-for-one basis for the ten-year absence from Canada during the latter portion of his life.

It is felt that this provision will enable the pension authorities, which under the act are

the provinces, to deal with a significant number of cases where, under the present act, there has been obvious hardship on this score.

5. Hon. members will also note that the requirement regarding national status has been eliminated by this amending bill. This is consistent with the provisions of the unemployment insurance and the family allowances acts, neither one of which limits eligibility for benefit in this way. It is felt that the requirement of twenty years' residence in Canada as a minimum provides an adequate safeguard.

I am sure there will be general agreement with the view that, as a matter of equity, any person who has spent twenty years or more of his working life in Canada and paid through taxes his full share towards the maintenance of public and other social services should not be debarred from application for old age pension when he reaches his declining years.

6. One special change in respect to the blind should perhaps also be noted. The existing provision debarring blind persons who marry from receiving more than one pension between the two of them will now be eliminated. This provision was originally inserted to discourage persons suffering from hereditary types of blindness from marrying. While it is undoubtedly true that no one wishes to encourage the marriage of persons suffering from hereditary blindness, it is not felt that the existing provision has been particularly effective, nor is it felt that this represents the constructive approach to the solution of this problem. This problem should not be met by depriving a blind married couple of this subsistence which they require for their actual maintenance.

7. There is one final change of importance which I have left to the last because it concerns the provinces much more than it does the federal authority. This change affects the determination of the province responsible for the payment of the provincial share of pension.

At the present time there is a complicated provision which says that the provincial share of pension shall be divided proportionately between those provinces in which the pensioner has resided during the twenty-year period prior to his application for pension. For example a pensioner may reside in British Columbia but his twenty years of residence prior to coming on pension might be divided between eight years in British Columbia, six years in Saskatchewan, four years in Quebec and two years in Prince Edward Island. British Columbia has to bill each of the three other provinces for their respective shares of the $6.25 monthly, which is the provincial portion of the pension. This is an obviously cumbersome method of apportioning provincial costs, especially since for most provinces these amounts paid out and the amounts received from other provinces balance off fairly evenly in the long run.

This amending bill introduces a simpler method of apportioning the provincial cost. It provides that the entire provincial share shall be paid by the province in which the pensioner has lived for the greatest number of days in the three-year period prior to his reaching pensionable age or prior to making application for pension, whichever is the later.

Needless to say the provinces have been consulted on this change, as they have indeed been advised of the intentions of this government with respect to the principles involved in the other proposed changes in the act.

I should like to have it noted that as a result of the bill, the contribution to pensions for the aged offered by the federal government represents an increase of 125 per cent over the contribution originally offered under the Old Age Pensions Act of 1927.

The bill provides in permanent legislative form for an increase of $10 in the amount of pension at present authorized under the Old Age Pensions Act itself. This is so because the order in council authorizing a $5 supplementary payment was never incorporated in the Old Age Pensions Act itself and will expire when the Continuation of Transitional Measures Act runs its course within the year. The bill, therefore, incorporates this supplementary payment, and the pension payable under the act is increased by $10.

But the bill actually does more than that. It does not merely make it possible for the provinces to raise the pension to $30 a month. By removing the pension ceiling and by increasing the federal contribution, the government is, in fact, opening the way for the provinces to pay more than $30 a month. If the six provinces which are now paying supplemental allowances continue to do so, the result will be a pension in most parts of Canada substantially in excess of the standard rate of $30 a month, and this in most cases without an additional cent of expense per pensioner to the provinces.

Take the case of Alberta, for example. This province is already paying a combined pension and supplemental allowance amounting to $30 a month. Of this amount the Alberta government is currently paying $11.25, made up as follows: $6.25 a month as Alberta's share of the $25 pension provided by the federal law and wartime orders in council, and an additional provincial bonus of $5 a month

which has been paid since 1942. The federal share payable at the present time is $18.75 a month, which, under the provisions of this amending bill, will be increased to $22.50 a month. If Alberta does no more than continue its present payment from provincial funds amounting to $11.25 a month, this sum, together with the increased federal contribution of $22.50, will mean that Alberta can actually raise its pension rate to $33.75 a month without an additional cent of cost per pensioner to the province over what it is paying at the present time.

Exactly the same situation, and I know there will be special interests in this, prevails in Saskatchewan.

Mr. COLDWELL: Is it not a fact that the province under this bill may pay less than $30 a month?

Mr. MARTIN: We have no control over what a province may do.

Mr. COLDWELL: Under this bill they are permitted to pay less if they so desire.

Mr. MARTIN: No bill which this parliament can pass can in any way affect what a province may do within its own constitutional jurisdiction. What applies to Alberta applies in equal measure to Saskatchewan. The house will recall that the government made known in January of this year its intention as to amending the act. Saskatchewan is now, since April of this year, paying a combined pension and allowance of $30 monthly, the provincial share consisting of the $6.25 a month which represents the province's part of the combined federal-provincial old age pension and, in addition to this, a $5 supplemental allowance. This means that the provincial contribution from these two sources currently amounts to $11.25 monthly. With the increase in the federal contribution from $18.75 to $22.50 provided in this amending bill, it will now be possible for Saskatchewan to pay a pension as high as $33.75 a month without an additional cent of cost per pensioner to the province over what it is paying at the present time.

Turning now to the province of British Columbia, we find that there the province which started to pay a provincial supplement of $5 monthly in 1942 is now paying a provincial supplement of $10 a month, in addition to the sum of $6.25 a month representing the provincial share of the combined federal-provincial old age pension. In other words, the provincial contribution here amounts currently to $16.25 a month compared to the federal contribution of $18.75 a month which, under this amending bill, will be increased to $22.50 a month. This will mean that the province of British Columbia will be enabled by this legislation to pay a pension as high as $38.75 a month without an additional cent of cost per pensioner to the province over what it is paying at the present time.

Ontario is paying a somewhat smaller pension and allowance, not exceeding $28 a month. It too provides a provincial supplement over and above its statutory contribution of $6.25 a month under the federal-provincial old age pension plan. This contribution in Ontario is a variable one, being 15 per cent of the actual amount of pension being paid, up to a maximum of $3 per month in any one case. In other words, the maximum provincial contribution to any pension at the present time is $9.25 a month, consisting of the $6.25 monthly contribution which is required of the province under the federal-provincial old age pension plan and the additional $3 provincial supplement. Since this amending bill calls for an increase in the federal contribution from $18.75 to $22.50 a month, it will be possible for the province of Ontario, by maintaining its current rate of contributions, to pay a pension of $31.75 a month without increasing its current expenditures per pensioner on old age pensions.

In summary, it will be apparent that the result of the present amending bill will be in effect to set a standard minimum pension of $30 per month in all the provinces, assuming, of course, that all the provinces will be anxious to take full advantage of the federal contribution. More than this, however, it will undoubtedly result in a number, and perhaps even a majority, of the provinces of Canada going beyond this $30 pension to set higher pension rates in their respective provinces. The illustrations I have just given make it clear that in a substantial number of cases the provinces will be able to do this without increasing in any way the commitments that they have made already, on their own initiative, with respect to the limits of their contributions to old age pensions at the present time. Nothing in the federal Old Age Pensions Act as it will be amended by this present bill debars any of these provinces from incorporating their present provincial supplements into their basic pension rates, and it is thought that the provinces already paying provincial supplements will, in fact, be encouraged to maintain their provincial contributions on at least the present basis. If this is done, the result will be that we will have in actual fact a pension rate throughout all of Canada which, on the average, will

exceed substantially the standard pension rate of $30 contemplated by these present amendments.

I submit, Mr. Speaker, that after consideration of this measure the house will conclude that this bill goes a long way towards easing the lot of our aged people and those who have been afflicted with blindness. It is a progressive and advancing step. It will aid and assist both the present pensioners and those who will, for the first time, become eligible for pension. What this bill will accomplish, if the provinces take full advantage of its provisions, may be summarized in this way:

1. It does away with the provision limiting the maximum pension which any province is permitted to pay.

2. It establishes a basic standard pension of $30 a month to which the dominion will contribute and leaves the provinces free to increase the standard pension rate as they deem advisable.

3. It raises the statutory pension to which the dominion will contribute from $20 to $30 a month.

4. It increases substantially the amount of outside income which a pensioner may have and still qualify for full or partial pension.

5. It increases the amount of allowable income for a single aged person, from $425, inclusive of pension, to $600 a year.

6. It increases the maximum allowable income for a married old age pensioner from $850, inclusive of pension, to $1,080 a year.

7. It increases the maximum allowable income for an old age pensioner married to a blind person from $925, inclusive of pension, to $1,200 a year.

8. It increases the maximum allowable income for a single blind pensioner from $500, inclusive of pension, to $720 a year.

Mr. GREEN: May I ask the minister if these figures include the extra allowance paid by certain provinces?

Mr. MARTIN: Of course, that is part of the income. I think that my statement is pretty clear on that point.

9. It increases the maximum allowable income for a married blind pensioner from $925. inclusive of pension, to $1,200 a year.

10. It increases the maximum allowable income for a married blind couple from $1,000, inclusive of pension, to $1,320 a year.

11. It will add to our federal-provincial pension lists, because of the more generous provisions, between 60,000 and 65,000 additional pensioners.

12. It modifies and makes more generous the present residence provisions and eliminates national status as a requirement for pension.

13. It increases the federal contribution for old age pensions and pensions for the blind by an estimated $20 million a year.

14. It simplifies the division of provincial responsibility for pension in cases where a pensioner has lived in more than one province before applying for pension.

15. It does more than raise the pension to $30 a month. Six provinces are now paying supplementary allowances. If the provinces continue to do this, the result will be in most parts of Canada a pension substantially in excess of $30 a month, and this, in most cases, without an additional cent of expense to the provinces over what they are paying at the present time.

The hon. member for Calgary West (Mr. Smith) said that no member of this house has any monopoly of interest in the aged people of this country. I believe that to be a correct statement. The government is very much aware of the need for improving the lot of our aged people. Our older citizens are the people who have built this country and made it the nation it is today. I firmly believe this parliament will recognize that it has a solemn obligation towards those who on reaching the later years find themselves in need of assistance in maintaining themselves.

What we do now—and I cannot emphasize this too strongly—must be consistent both with present need and the need of tomorrow. It must be consistent with what we are trying to achieve with the joint cooperation of the provinces. It must be consistent with the ultimate realization of a self-sustaining and nation-wide contributory system of retirement insurance.

In conclusion I should like to summarize the objectives and the general nature of these proposals made by this government two years ago, particularly in relation to the establishment of a national health programme and a national social security programme, because they are inextricably intertwined and interwoven with the matter that we are now discussing. The national health programme as laid down by the federal government included financial assistance to the provinces in establishing health insurance, to provide health services to individuals, health grants to assist and extend public health and preventive medicine, a grant for organization and planning of medical services, and provision for low interest loans for the construction of hospitals. The dominion also proposed the extension of unemployment insurance to cover a much wider range of workers. It was proposed to

provide unemployment assistance to cover able-bodied unemployed who do not have benefit rights at present.

Finally, to achieve security for the aged members of our population, the federal government proposed to establish a system of universal old age pensions paying $30 monthly to all persons 70 and over without means test. Additionally, the federal government undertook to share on a fifty-fifty basis with the provinces—

Mr. FLEMING: When?

Mr. MARTIN: Just as soon as my hon. friend can persuade some of his colleagues to come to an agreement.

Additionally, the federal government undertook to share on a fifty-fifty basis with the provinces the cost of means test pensions at a similar rate to the blind at 21 and to the aged 65 to 70.

Mr. ROSS (St. Paul's): May I ask the minister a question?

Some hon. MEMBERS: No; sit down.

Mr. MARTIN: I prefer to finish my statement.

The measure which is today being placed before hon. members of this house for consideration has been deliberately designed to keep within the framework of the dominion's proposals to the provinces on assistance to the aged, so that it may be abundantly clear that we are not offering this measure to the house and to the country as a substitute for the proposals themselves, but rather, indeed, as a forward step taken to provide a greater measure of assistance to the aged at the present time, but taken in a manner that will be completely consistent with the proposals and within the broad framework of the social security objectives that the government enunciated therein.

Ten governments of Canada today—federal and provincial—by establishing ministries of health and public welfare, have indicated their acceptance of the fact that the provision of public welfare services is an essential responsibility of government in a modern democratic society.

Canada is already in the forefront of nations who seek to raise social standards and protect the wage earner and the family, the veteran, the farmer and the needy aged. We can only proceed by progressive stages and it is as an additional stage that I present this bill today.

We have set our hand to the attainment of long-range social objectives. Upon the attainment of those objectives a great deal depends not only for the present day but for the future.

The task of this government in cooperation with the provinces is to provide for the welfare of the nation as a whole. It is with this in mind that the government has made clear its objectives in regard to national health, social security, public investment.

National programmes of such a broad and fundamental nature cannot be achieved in a country like Canada only by the central government. They can be achieved by all governments, dominion and provincial, acting in cooperation to ensure the greatest possible measure of well-being, economic security and social welfare for the Canadian people.

This present measure, representing as it does a joint cooperative effort of the dominion and the provinces, brings us one step nearer to the achievement of the objective that we seek—all governments alike—the greatest measure of security for all the people of Canada, in whatever part of this great country they may live.

Mr. JOHN BRACKEN (Leader of the Opposition): The measure before us is a bill to amend the Old Age Pensions Act. The minister has put his own interpretation upon the details of this bill, and he has supplemented that interpretation with a review of the government promises of the last twenty-five years and their repetition in detail to date. He has told us of the great plan that was put forward two years ago, a plan which the government voluntarily brought forward, declaring it would undertake to pay $200,000,000. And now he tells us that the proposals which are now before us will cost this nation only $20,000,000. He says that is a great step forward. I suggest that if it is a great step forward it is a very short one. The government has laboured and brought forth a mouse. The mouse has been a long time coming and it is very small when it gets here.

I want to compliment the minister upon making much out of little. He has told us about this grand scheme of two years ago, which everyone in this house, I think, feels was a grand scheme, and then he comes along with a plan which will cost the government only one-tenth as much. Then he takes two-thirds of his speech to excuse himself for bringing such a small edition of the main plan.

In starting out he tells us to keep in mind one basic fact, that the needy aged of this country are getting only $240 a year and that now they will get $360. What he failed to emphasize is that the needy aged of the country are now getting $300, not $240, and

these proposals represent an increase of only $5 a month or $60 a year. That is the basic fact.

Mr. MARTIN: What about the maximum income allowed?

Mr. BRACKEN: You are not paying that.

Mr. MARTIN: I am not paying anything.

Mr. BRACKEN: The basic fact about this bill is that the government is proposing now to increase the old age pensions by $5 a month. That is basic, and all the other features which the minister has elaborated are just details—important, yes, but of relatively minor importance. That is the basic fact. The minister has gone a long way today to talk about national health, public investment and other things, but what this country wants to know is what the government will do now for the needy aged. That is the question before us, not the promises of two years ago or twenty-eight years ago, or any promise for the future, but what will be done now.

I do not propose in my remarks today to deal with the details of this bill. I propose rather to discuss the general principles involved in it. My criticisms of the measure can be briefly stated. There are four general criticisms. The first is that the measure has been too long delayed.

Mr. MARTIN: The bill is retroactive to May 1, of course.

Mr. BRACKEN: The minister is excusing himself by saying it is retroactive to May 1. It should have been retroactive to several years ago.

Mr. MARTIN: If that is the case—

Mr. BRACKEN: You made your speech and you refused to let anyone interfere.

Mr. GARDINER: If it had been patterned after your action of a few years ago it would not have gone very far.

Mr. BRACKEN: You will get your chance to speak too. The second criticism is that it provides only partial justice to the aged. I propose to elaborate on these criticisms later. I say, Mr. Speaker, that the measure has been too long delayed by far, both in this session and in previous years, and it provides only partial justice to the aged. The third criticism, an important one, is that the measure is a complete reversal of the government's policy as announced two years ago. Two years ago the government promised old age pensions at 70 without a means test. In this measure they are continuing the test. This government promised two years ago—

Mr. MARTIN: I rise to a question of privilege.

Some hon. MEMBERS: Sit down.

Mr. MARTIN: I rise to a question of privilege, and no one will recognize it more than my hon. friend. I know he will agree—

Mr. BRACKEN: Let us have the point of privilege, but do not make a speech.

Mr. MARTIN: The point of privilege is that the government has not reversed its position at all. What it has done is perfectly consistent with what was proposed in 1945.

Mr. FRASER: That was an election year.

Mr. BRACKEN: I say it is a complete reversal of the government's policy. Two years ago the government proposed old age pensions at 70 without a means test, but in this measure it is perpetuating the means test. Two years ago it proposed old age pensions at 70, the whole cost to be borne by the dominion government. Under this measure a portion of the cost is being put upon the provinces.

Mr. MARTIN: No change made in that at all.

Mr. BRACKEN: There is a change from your promises.

Mr. MARTIN: Not a bit of change.

Mr. BRACKEN: Now, another point. Two years ago this government proposed an old age assistance plan to apply to persons from 65 to 69 years of age, a joint plan to which the dominion and the provinces would contribute. There is nothing in this measure providing assistance for persons between the ages of 65 and 69. And I suggest there should be particularly for widows between those ages; they form a class of people who need assistance at this time. It should apply to persons between those ages. My fourth criticism is that the measure gives no consideration at all to blind persons under 40 years of age—none whatever. I suggest that if there is any justification for aiding blind persons over 40, if there is justification for increasing assistance to them, there is justification for some assistance to blind persons of 39, 38, 37 and lower ages.

I have one other observation to make and a question to ask. In the original old age pensions bill there was no assistance for the first inhabitants of the country, the Indians. They were excluded. That exclusion is continued in this measure. I would ask the government to state its policy with respect to this particular group of people.

I wish now to make a brief statement on the historical background of this measure. As

the minister said, it was in 1927 that legislation relating to old age pensions was first enacted in Canada. In that year this parliament passed an act which enabled the dominion government to negotiate agreements with one or more of the provinces by which the dominion and the provinces would each pay fifty per cent of the pension provided that the age of seventy years had been reached. The dominion government prescribed in this legislation that the pension itself was to be limited to $20 per month. The minister today says the provinces can increase the amount beyond what the dominion pays. Some members raised the question—and it could not be denied—that under the bill the provinces can also lessen the amount they pay. Under the original bill they were required to pay, first, half the cost, and then 25 per cent of the cost.

Mr. MARTIN: No.

Mr. BRACKEN: That was in the agreement.

Mr. MARTIN: My hon. friend has not understood it.

Mr. BRACKEN: I know something about it because it was my responsibility and privilege to sign that agreement for Manitoba.

Mr. KNOWLES: It was either the whole thing or none at all.

Mr. BRACKEN: That is correct. The record speaks for itself. The minister is quite wrong in denying what I have said.

An hon. MEMBER: He doesn't know.

Mr. MARTIN: Wait until we get in committee.

Mr. DEPUTY SPEAKER: Order.

Mr. BRACKEN: The pension could only be paid to a British subject not less than seventy years of age who had resided in Canada for twenty years, and for five years in the province where application for pension was made; who was not an Indian, who was not in receipt of an income of more than $1 a day, and who had not transferred any property for the purpose of qualifying for a pension. That was the condition. Those are simple statements of fact in the record.

I might point out the order in which the provinces came into the scheme. The dominion came along and said, "We will pay half the cost of this plan in any province where the province will pay the other half under these conditions." The provinces came in in the following order: British Columbia in 1927—

Mr. REID: We lead.

[Mr. Bracken.]

Mr. BRACKEN: —Manitoba, 1928; Alberta and Ontario, 1929; New Brunswick, 1930; Nova Scotia, 1931; Prince Edward Island, 1931; Quebec, 1936. The Yukon was brought in in 1927, the year in which the measure was passed, and the Northwest territories in 1929.

Mr. COLDWELL: In what year did Saskatchewan come in?

Mr. BRACKEN: 1928.

An hon. MEMBER: One of the first.

Mr. JACKMAN: They are in all right.

Mr. BRACKEN: It was after British Columbia and after Manitoba. In 1931 a major change was made in the act, namely, in the distribution of the costs. The dominion then began to assume seventy-five per cent of the cost and the provinces twenty-five per cent. And in 1937 the blind over forty years of age were made eligible for the pension scheme. For twenty years there has been no statutory revision of the amount of pension paid; in fact, there had been no financial revision of any kind until the war came along, and then by order in council, I think in 1943, provision was made for a $5 increase a month. That increase which was made possible by dominion order in council did not precede but followed the action of certain provinces. Certain provinces went ahead on their own to make increases when they found the dominion only slowly recognizing its responsibilities.

During these years almost all other incomes have increased in this country. From 1939 until the present time the cost of living has increased from 22 to 25 per cent; I am calling on my memory there. Industrial wages have increased by about 25 per cent. Many other wages and incomes have increased. This government itself made provision for increasing the incomes of members of parliament by $2,000 a year. Yet in that whole period of time only $5 a month or $60 a year increase was made for the old people, and now $60 more a year is being added to their income.

As I said, after the war the provinces and not the dominion began to take action in increasing the amount to be paid. British Columbia and Alberta in 1942 passed legislation authorizing increases. Early in 1943 Manitoba and Nova Scotia took similar action. The dominion government in August 1943 passed an order in council by which pensions payable could be increased by $60 a year, or $5 a month; but the dominion provided also that the amount of other income which could be received by the pensioner had to be reduced by a similar amount. I am glad to see that today the government is changing that attitude.

I wish to go back to these detailed criticisms. I said this measure had been too long delayed. I pointed out that it is twenty years since it first came in, that there was no change in the rate of pension until the war was half over, and then only $5 a month. Now the minister brings in a measure which goes only one-tenth of the way toward meeting the objective or the plans which they announced so boldly in the press and otherwise two years ago.

Secondly, I said that the bill provides only partial justice to the aged. Twenty years ago the pension was $20 a month; four years ago it was raised to $25 a month.

Mr. MARTIN: Why did the Conservative party oppose it?

Mr. DEPUTY SPEAKER: Order.

Mr. BRACKEN: Now it is to be raised to $30 a month. I pointed out the increase in the cost of living, the increase in industrial wages, the increase in the incomes of everybody else. These old people now get only $60 a year increase from this government. I said this was a complete reversal of government policy. Two years ago they promised old age pensions at seventy without the means test. I want to read their promises of that time, found in this document "Proposals of the Government of Canada". Here is what they have to say on national old age pensions at age seventy, on page 37:

As part of the general proposals now put before the conference, it is proposed that the federal government would establish a system of national old age pensions entirely financed and administered by the federal government, and paid at the uniform rate of $30 per month regardless of means to men and women aged seventy and over in all parts of Canada.

As I said before, the present bill does not carry out either of those promises. Then it goes on:

The cost of national old age pensions by 1948, for example, is estimated at $200,000,000.

Now the government brings in a watered-down proposal which, according to the minister himself, will cost them no more than $20,000,000 and probably less. Our estimate is considerably less.

Mr. MARTIN: I said the very opposite.

Mr. BRACKEN: It goes on:

There would be a partial recovery from people over seventy paying income tax.

Then they enlarge upon these promises in this way:

The principal feature of the proposed national old age pensions is the elimination of the means test after reaching age seventy,—

But it is not eliminated in this bill.

—regarding this (the means test) as unsuitable for the oldest group in the community over eighty per cent of whom are not in fact capable of supporting themselves in useful remunerative work. Payment of pensions as of right to people of this age offers the best kind of economic security.

Yet they do not do it in the bill they bring in. I read on:

It removes the fear of destitution much more certainly than any other method, and relieves old people of the necessity of seeking work, or of endeavouring to keep on working in unfavourable circumstances and beyond the age at which they should be able to retire, without dependence on charity or burdening the family.

These are all arguments for a great programme; then they come along with this mild edition of it and ask us to accept it.

In addition to providing a minimum subsistence for those with no other resources, this system would enable other persons with moderate private savings to retire from active work sooner, or in more comfort, than would otherwise be possible.

Then they go on:

The removal of the means test would make it possible for these pensions to be administered by the federal government alone on a uniform national basis, without the necessity for provincial participation, and would therefore considerably relieve provincial finances.

Yet they do not remove the means test.

As the federal government would be assuming full financial responsibility, it would also administer the payment of these pensions.

So much for these particular promises of two years ago and the government's promise to carry it out. No wonder the minister devotes two-thirds of his speech to excusing himself for not carrying it out.

Then I said the government had completely reversed its policy in another way. It promised an old age assistance plan for persons between sixty-five and sixty-nine years of age, the cost to be borne equally by the dominion and the provinces. Here is what they had to say on that point at that time. I am reading from page 38 of the government's document. These are the words of the government:

In addition, it is proposed to provide old age assistance for persons of age sixty-five-sixty-nine, in cases of need and in accordance with local conditions and individual circumstances, under dominion-provincial agreements broadly similar to those presently existing with respect to old age pensions for persons of age seventy and over, but with certain changes designed to liberalize the conditions under which assistance is given.

Those are the promises to persons between sixty-five and sixty-nine years of age, but there is nothing at all in this proposed measure

which would give them any assistance whatever.

Mr. MARTIN: That is not true.

Mr. BRACKEN: I quote again:

> The proposal is that the provincial governments should administer this old age assistance and that the federal government should contribute fifty per cent of the cost, up to fifty per cent of $30 per month. The total cost of this measure by 1948 is estimated at $34 to $40 million . . .

This one feature of their 1945 proposals they say would cost from $34 to $40 million; now the minister himself estimates that the whole additional cost of all the government is proposing will be only $20 million.

Mr. MARTIN: Twenty million more.

Mr. BRACKEN: Then in elaborating this particular feature of the policy which they have now discarded they go on to say:

> The minimum age for national old age pensions must be definite and fixed; it cannot vary with individual cases. It must be recognized, however, that there will be an intermediate age group in which a significant minority of persons will be unable, by reason of age, to support themselves without assistance. These persons who, in fact, suffer from the disability which old age pensions are intended to assist, should not be left with no other resources than local poor relief for the temporary period which must elapse till they reach the qualifying age for old age pensions.

Yet they bring forward a measure that contains nothing for these people between sixty-five and sixty-nine years of age.

> Accordingly, it is proposed that the existing system of joint dominion-provincial old age assistance on a means test basis, which it is proposed to supersede as regards persons of seventy and over, should be adapted to meet the needs in particular cases of persons of age sixty-five-sixty-nine, with a federal government contribution of fifty per cent of the cost.

Those are the three main features of the much-heralded policy of the government of two years ago, which I believe most people in this country thought was a good plan. And this bill is the watered-down sample brought forward today by the minister. It carries out none of these promises. My fourth criticism is that the government plan offers no consideration for blind persons under forty years of age. A few years ago an amendment was brought in to the old age pensions legislation providing for pensions to blind persons; but it was stipulated that no blind person under forty years of age could benefit by the provisions of that legislation. Now the government comes along and proposes certain additions to the pensions for blind persons over forty years of age, but does nothing at all for those under that age. I suggest this is a serious criticism of this measure.

The question of cost has been referred to. The minister has told us what it is estimated this plan will cost, and has given some other figures. I took the trouble to have some figures of an historical character looked up in connection with this measure. This legislation was passed in 1927. It did not get going fully for several years. The first year it only cost this country $131,000. In 1931-32 it cost approximately $10,000,000, in round figures. In 1941-42 the cost was $28,000,000. Under the present act it will be about $65.000,000.

Mr. ROSS (St. Paul's): Not to the government; to the people of Canada.

Mr. BRACKEN: It is estimated that pensions for people seventy years of age and over, with no means test, at $30 a month, would cost $200,000,000 a year. It is estimated also that pensions at sixty-five and over, at $30 a month with no means test, would cost about $336,000,000 a year; and it is further estimated that a plan covering people sixty-five years of age and over, at $50 a month with no means test, would cost this nation $560.000,000 a year. That is the material side of this question, which of course is important, just as it is important to recognize that the aged poor must have from some source, this government or the governments combined, enough to meet their needs on a cost of living basis, regardless of all other conditions.

I have here some details in connection with the supplemental allowances granted by the various provinces for old age pensions. That might be put on the record at a later stage, when we are in committee. It indicates that the different provinces have proceeded along somewhat different lines. Some have been more generous than others. But perhaps it might be well to put this information on record now; I can do so in three or four minutes and then it will be there for the information of hon. members.

Manitoba, British Columbia, Alberta and Nova Scotia made provision for the payment of supplemental allowances to old age pensioners before the passing of the dominion order in council, P.C. 6367, dated August 10, 1943, which authorized a supplement of not over $5 a month to be paid by the dominion and the provinces on the same basis as the pensions, 75 per cent and 25 per cent respectively.

Alberta was one of the first to move in this direction. In 1942 they authorized an addi-

tional allowance of $5 a month from January 1, 1942, and authorized an agreement with the dominion government relating to supplementary allowances. That is still being paid.

British Columbia made its increase effective on April 1, 1942. It authorized a cost of living bonus of $5 a month. This was raised to $10 on January 1, 1947. No part of the bonus is recoverable from the dominion, and it is being paid in addition to the dominion government increase granted in August, 1943.

I do not suppose the minister has any intimation from any of these provinces as to what their attitude will be with respect to [illegible] supplementary aids, when this new measure comes in.

In 1943 Manitoba made provision for a supplementary allowance of $1.25 a month, which it recognized as its share of a possible contribution of $5 a month by the dominion. This is still being paid.

Nova Scotia commenced its supplementary assistance in April of 1943. It provides for a supplementary allowance not exceeding $10 a month. It could allow up to that much, if the income exclusive of pension is $125 a year or less. But the allowance with the pensioner's income is not to exceed $365 a year. No such allowance was to be paid for any period before June 1, 1943. This allowance is still being paid.

Mr. KNOWLES: Can the leader of the opposition indicate under what conditions that allowance is paid in Nova Scotia?

Mr. BRACKEN: I made it clear that the measure only gave the government permissive power to pay up to that amount, $10 more a month. Just what they have paid I cannot say.

Mr. MARTIN: We can get it all later in committee. It is a very complicated story.

Mr. BRACKEN: In 1944, after the dominion order in council, New Brunswick, Ontario and Saskatchewan made provision for supplemental allowances as follows:

In New Brunswick there is an arrangement which is retroactive to the commencement of the New Brunswick old age pension act, authorizing supplementary agreements with the dominion government. My information is not positive, but I understand there was no New Brunswick bonus.

The Ontario plan was made retroactive to April 1, 1942. It empowers the lieutenant governor in council to provide for a cost of living bonus. It is a bonus of fifteen per cent of the pension, which is still being paid by the province from its own funds.

In 1944 Saskatchewan took power to enable the lieutenant governor in council to provide for a supplementary allowance of $1.25 a month. The act as revised in 1945 enabled the lieutenant governor in council to provide for a supplemental allowance, without stating the amount. The regulations of April 6, 1945, authorized an allowance of $3 a month, payable from May 1, 1945. This has been increased during the present year to $5 a month.

That concludes the summary of these supplementary allowances, the information for which was obtained through the official records of the library in the Department of Labour here in Ottawa.

I do not propose to keep the house longer at this time. As I have said, my criticisms of this measure, speaking broadly, were four in number, some of which can be amplified.

First, it comes in too late. The government is too late in bringing it forward.

Second, it provides only partial justice—and the government's own proposals of two years ago are the best evidence of that fact. As I said, it is a complete reversal of the government's policy as announced in August 1945.

Mr. MARTIN: Why does my hon. friend say that?

Mr. BRACKEN: With respect to the means test, and with respect to the amount to be paid by the dominion—

Mr. MARTIN: A leader of the opposition is a leader of the opposition—

Mr. BRACKEN: I know that without your telling me. If you have anything else to say, go ahead.

Mr. MARTIN: There is a rule, a tradition, of the house, which is always respected, and I know the hon. member will respect it. It is that a minister of the crown is always given the privilege of asking a question of the leader of a party. I ask the leader of the opposition: Why does he persist in making a statement which is so obviously wrong?

Mr. FRASER: What rule?

Mr. BRACKEN: I suggest, with all respect, that hon. members ought not to be allowed to interrupt a member who has the floor.

An hon. MEMBER: Answer it, then.

Mr. BRACKEN: I will answer it. This government promised two years ago, in this public document I have read, a pension plan which would provide for elimination of the means test.

Mr. MARTIN: If the provinces accepted it.

Mr. BRACKEN: But the government has not done that. The dominion government can do it; it is the dominion government's own plan.

Mr. MARTIN: If the provinces accepted it.

Mr. BRACKEN: This government then proposed to eliminate the means test. Now they are bringing forward a measure which retains the means test. They promised old age pensions at seventy, all to be paid by the dominion. They now bring forward a measure in which they leave twenty-five per cent of the cost to be paid by the provinces. And they proposed old age assistance for people between the ages of sixty-five and sixty-nine, half to be paid by the dominion and half by the provinces. Yet there is nothing of that in this bill which they have taken so long to prepare, and which the minister has promised us so often would be forthcoming soon. One other thing: they have provided nothing whatsoever for blind persons under forty years of age.

That is my submission. As I said at the beginning, the government has laboured and brought forth a mouse. The mouse has been long in coming, and it is very small even when it gets here.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I am sure our disappointment in the minister's pronouncement this afternoon will be shared largely throughout the country. His long expected and long delayed measure will be a bitter disappointment to all who are interested in improving the conditions of old age pensioners.

The promises that the minister made this afternoon regarding future social security measures we can take with a grain of salt as the people of Canada should have taken the promises made in 1918. I have in my hand a bound volume of Liberal platforms of the years 1918 and 1921. A reference to the 1919 platform, adopted in this city in 1919 and specifically to a paragraph dealing with labour and industry, will show what I mean. "Oh", someone says. Yes; I know they do not like to be reminded of a twenty-eight-year old promise which in many respects has never been fulfilled or attempted to be fulfilled. But again, as with the minister this afternoon, there were so many ifs and buts with regard to what might happen in the future; that is; if something is done, we will do something else.

[Mr. Bracken.]

So we find in this volume:

> And further resolved that in so far as may be practicable, having regard for Canada's financial position, an adequate system of insurance against unemployment—

That came in 1940.

Mr. MARTIN: And by this government.

Mr. COLDWELL: And in a special war emergency. Then, "sickness"—which we have not got; "dependence in old age", which we have not got, not because it is not required. It continues:

> —and other disability, which would include old age pensions, widows' pensions and maternity benefits, should be instituted by the federal government in conjunction with the governments of the several provinces;—

Some hon. MEMBERS: Hear, hear.

Mr. COLDWELL: Just a moment with "hear, hear." It goes on:

> —and that on matters pertaining to industrial and social legislation an effort should be made to overcome any question of jurisdiction between the dominion and the provinces by effective co-operation between the several governments—

And so on. What I have read was adopted in the city of Ottawa as part of the Liberal platform in the year 1919, twenty-eight years ago. I ask you, Mr. Speaker and hon. members of the house, to look it over and see how many of those promises have been fulfilled in the course of twenty-eight years.

Mr. MITCHELL: You have a manifesto issued at Regina.

Mr. COLDWELL: Certainly, but we have never been in office. Let me say this to my hon. friend, that one C.C.F. government that was elected to office in a province in its first two years in office put into effect every promise it made to the electors of that province. Laugh that off. That was done not in twenty-eight years but in two years. This afternoon what have we got?

Mr. MITCHELL: Saskatchewan does not pay as high an old age pension as British Columbia, if you want to talk about what Saskatchewan is doing.

Mr. COLDWELL: To begin with, the federal government recognizes that Saskatchewan has not the resources of British Columbia. That was recognized in the grants made to Saskatchewan through the dominion-provincial tax agreement. Moreover if Saskatchewan is not paying as high an old age pension as British Columbia, the government of Saskatchewan on slender resources has done something which is even more appreciated by the old age pensioners of that province, and that was to give them free medical, dental, optical

and other services for the last two years. Count that up in dollars and cents and see what it is worth.

An hon. MEMBER: And how much are the people taxed there?

Mr. COLDWELL: I am not discussing British Columbia, I am not discussing Ontario, and I am not answering the foolish and revealing question just interjected by my hon. friend of the Progressive Conservative Party. I am very glad to have the support of hon. gentlemen to my right this afternoon, but I know their record in regard to old age pensions. It was the Conservative party in the old days which did its level best through its friends in another place to block the introduction of old age pensions.

Mr. MARTIN: They did block it.

Mr. COLDWELL: I remember that. We have heard a great deal from my hon. friends to my right in the last few months about the necessity of cutting the estimates by one-third. If you do that, you cannot grant increases to the old age pensioners in this country.

Mr. FRASER: Oh, yes; you can.

Mr. COLDWELL: My hon. friend says, you can. I challenge my hon. friend to come before the house and say where he will cut the estimates to that extent. Let him give us a clear indication of where he would save the money.

What I rose to say this afternoon was this. The view of the party I have the honour to lead in this house at the moment is well known to every hon. member, and it is pretty well known throughout the country. I say with a good deal of pride that my predecessor in this seat, the late J. S. Woodsworth, toiled unremittingly to establish in this country a system of old age pensions and social security. I want to tell my hon. friends on both sides of the house that one of the most cherished possessions we have hanging framed on the wall in our national office is an exchange of letters between the late leader of this movement, Mr. Woodsworth, and the present Prime Minister of Canada (Mr. Mackenzie King) in that fateful year, 1926, when neither Mr. Meighen nor the present Prime Minister commanded a majority in this house but were dependent upon the votes of Mr. Woodsworth and his labour colleagues. A letter was written to both hon. gentlemen. Mr. Meighen promised that he would consider the introduction of old age pensions and of unemployment insurance if he were accorded support on a vote of confidence motion. Mr. King said that if he were accorded that support he would introduce old age pensions at that session and would consider unemployment insurance. Mr. Woodsworth supported the vote of confidence in the present Prime Minister of Canada, and that is how old age pensions came to Canada. I am glad to pay that tribute to the late Mr. Woodsworth. My hon. friend the Minister of Labour (Mr. Mitchell) knows perfectly well that when he ran as a labour candidate in the city of Hamilton and was elected to this parliament, before he jumped the fence—

Mr. MITCHELL: As you did too.

Mr. COLDWELL: No, that is wrong, but let me put it this way: before he fell over the fence when straddling it my hon. friend was largely elected on the statement that Mr. J. S. Woodsworth and the Labour party had secured old age pensions in this country.

Mr. MITCHELL: I wish my hon. friend would give some credit to the trades union movement in this country and to many of us who came to see the Prime Minister of Canada.

Mr. COLDWELL: I will give credit where it is due. Mr. Woodsworth was not alone. No one man in this country could have achieved it alone. I am pleased to pay tribute to the labour movement in this country which first nominated and elected Mr. Woodsworth to this parliament. I think it is a tribute I should pay.

It is now twenty years since the present government introduced some measure of retiring allowance for—I am not going to refer to them as the aged poor; let me call them the senior citizens of this country, those who have performed a service to Canada over the major portions of their working lives. Once more across this country we have heard the swelling of the voices demanding a greater measure of justice for these people. A short time ago I had the honour and privilege of presenting to this house a petition signed by over 250,000 citizens, and may I say that not very much effort was required in putting the petition before the people across this country. Signatures were easy to get for it, because the people of Canada want a squarer deal for senior citizens. I do not think there is a member of this house who has not been receiving in his mail almost every day letters pointing out the necessity of improving conditions for the aged; and may I add, that many of the persons who signed the petition and sent in letters are to my personal knowledge not themselves in dire need. The people of Canada, men and women of all ages, have come to recognize that the treatment of our

old folk in Canada is entirely inadequate. They recognize that no mere five dollar increase such as is proposed in this bill, of which the federal government pays 75 per cent of the cost, is sufficient to alleviate the conditions under which those who are dependent upon the old age pension are now suffering. As the leader of the opposition (Mr. Bracken) indicated, no group in this country has been harder hit by increased prices and by the removal of price controls than the aged people about whom we are talking this afternoon, those who are trying to get along on some sort of pension, and others who are attempting to live on a small fixed income. Parliament at this session decided to allow the cost of living to rise. Consequently many of the disabilities from which the older citizens suffer today are due to the action of this parliament in permitting an increase in the cost of living through the removal of beneficial controls. Now we say that the aged—and this bill covers only those of seventy—and the blind—and, as the leader of the opposition pointed out a few moments ago they are covered only if they are over forty—

Mr. MARTIN: Forty and over.

Mr. COLDWELL: If they are forty and over. We say that the aged and the blind require at least fifty dollars a month in order to maintain anything like a little home and receive some comfort in it. I have no doubt that in this debate we shall have this bill compared with old age pensions of other countries. The minister nods his head.

Mr. MARTIN: What I meant by that nod was that this country compares most favourably with any other country in the matter of social security.

Mr. COLDWELL: I shall deal with that in a moment. And it will be said—

Mr. MARTIN: It will be said fairly.

Mr. COLDWELL: —that there are no countries with pensions as high as $50 a month. Well, in some of the Scandinavian countries they are going up toward that figure pretty rapidly; but I should like to point out in that regard that you cannot make comparisons without comparing the cost of living.

Mr. MARTIN: That is right.

Mr. COLDWELL: It may be said that in New Zealand, for example, those who get old age benefits and universal superannuation will receive only about $35 a month. But in this connection I draw the minister's attention to the fact that it is possible to rent a decent house in New Zealand for $18 a month.

[Mr. Coldwell.]

Mr. JACKMAN: Subsidized.

Mr. COLDWELL: Of course it is subsidized. I know it is subsidized, but whether subsidized or not it is possible for an aged couple to get a decent house at $18 a month. Where can you get a decent house in Canada at that rate?

Mr. IRVINE: Where you subsidize millionaires.

Mr. COLDWELL: Yes, and insurance companies to build houses. I am certain that you cannot do it under the policy which was enunciated in the house by the Minister of Reconstruction and Supply (Mr. Howe) a short time ago, that four or five-roomed units were to be built to rent at from $50 to $70 a month, not more than $70 a month.

Mr. REID: Is it not the fairest way to ask how much labour a man puts in to purchase these things?

Mr. COLDWELL: Yes, that is true, but let me point out to the hon. member that the minister is comparing money values.

Mr. MARTIN: No.

Mr. COLDWELL: The minister said that they did not have as much as $50 a month.

Mr. MARTIN: I am sorry to interrupt the hon. gentleman, but when I come to comparisons I shall show that, after taking into account the cost of living in Canada, the system of old age pensions envisaged by this bill will compare favourably with that of any other country in the world.

Mr. COLDWELL: We shall wait until the minister does that. In the meantime I am going to have my say on the same point.

Mr. MARTIN: And no one will listen with greater pleasure than I.

Mr. COLDWELL: I dispute the point. I go to Britain where there has been a substantial increase in the old age pension. While it looks very little in pounds, shillings and pence, I hold in my hand something I clipped from the Montreal *Gazette* of today just as I was coming down to the house. It is an article written by a gentleman whom I do not know, but I imagine the minister knows him because his name is Richard Graybiel of the Windsor *Star*.

Mr. MARTIN: An excellent journalist and a good friend.

Mr. COLDWELL: The article reads as follows:

Goodbye, England. You have been a good host to us during the last eight months, and we are really sorry to be leaving.

We've done a great deal of grousing about conditions here, probably haven't praised you enough for your achievements. Our basic food items—bread, milk, fats, meat, potatoes—cost less than they would almost anywhere else in the world. We marvel at the modern apartments you have built on the site of sprawling slums, apartments where a working man can house his family for two or three dollars a week.

I just put that before the house to indicate that a dollar in some countries will buy a good deal more than it will buy in our country.

Mr. MACKENZIE: I say at once that that is absolutely inaccurate.

Mr. COLDWELL: I must contradict the minister flatly. I know better. I can take my hon. friend to any of the large cities, Sheffield, Birmingham and the suburbs of London and I can show him the kind of houses that can be rented for that amount.

Mr. MACKENZIE: I know them all.

Mr. COLDWELL: Yes, the minister knows them. Why contradict me?

Mr. MACKENZIE: Because I think it is wrong. I think the prices there are wrong.

Mr. COLDWELL: Therefore I say that you cannot compare dollars and cents between two countries. Of course there they have now a social security system which gives them a measure of security from the cradle to the grave. A little known fact in this country is that the necessities of life and rent have been pinned down rigidly in Britain and, as I have been told by members of parliament who are not of the party in power, that the stories of starvation in Britain are wrong; that the working man and the little child are today better fed than they were before the war, because of rationing and that the present government has had the moral courage to maintain controls and rationing and so on to ensure that that shall be so. That is true. My hon. friend shakes his head.

Mr. MACKENZIE: I am sorry to interrupt again; it is impolite. I have met several people from the old country in the last two or three weeks and my information is entirely contrary to what my hon. friend has said.

Mr. POULIOT: The hon. gentleman should take lessons in diction from the hon. member for Rosetown-Biggar.

Mr. MACKENZIE: I ask the hon. member for Temiscouata not to be a pot-bellied valiant.

Mr. COLDWELL: Mr. Speaker, I should be very grateful if these pleasant exchanges between the minister and the hon. member for Temiscouata were kept out of my speech.

Mr. MACKENZIE: May I tender my apologies to my hon. friend.

Mr. COLDWELL: What I was going to add was this, in spite of the devastation of war, in the British isles they have been able to improve the conditions of the old age pensioner, while we, suffering from no devastation and no destruction from war, with a functioning economy and prosperity such as we have seldom if ever known, are able to do only what is being done this afternoon.

We have always said that the amount of the old age pension should be based upon the national income of our country, bearing in mind its total population, and that it should be considered in relation to the per capita income of our own people. Our national income has doubled during the war while our population has changed relatively little, so that our per capita income must be high. During the war a very large proportion of our production went into the war effort. I was interested this afternoon in hearing the minister give the figures which he thought would be involved in the old age pension bill now before the house. He said it amounted to $65 million.

Mr. MARTIN: The amount is $68 million; that is the federal share. Provincial and federal will be approximately $100 million.

Mr. COLDWELL: We will take $100 million.

Mr. MARTIN: Excuse me; that is for this year. It will increase every year.

Mr. COLDWELL: Yes. My hon. friend will remember that during the war our national budget amounted to over $5 billion a year. In other words, the total cost of the old age pension under this bill this year, including the provinces, will be equivalent to one week's cost of the war. Let us put it in that light: one week's cost of the war to provide what this bill provides both federally and by the provinces for the aged of Canada.

Mr. MARTIN: It is only one payment of many.

Mr. COLDWELL: If my hon. friend will let me make my speech, as I allowed him to make his, and reply afterward, I shall be greatly obliged.

Mr. MARTIN: I am very sorry.

Mr. COLDWELL: I accept the apology. I think the house and the country will be more

interested in getting a proper reply to the criticisms I am making now, and that reply cannot be given in these interruptions. Surely with our 750,000 or 800,000 young people back into active production, we could, if we properly planned the economy of the country, utilize our resources to produce sufficient to give our senior citizens a reasonable and decent standard of living, which we say should not be less than $50 a month.

I want to make a plea again this afternoon, as I have done before, for the complete abolition of the means test. I see no reason whatever for continuing this humiliating test, which is entirely unnecessary. In another act the government have recognized the validity of not applying the means test. They have recognized this in connection with children's allowances.

Mr. MACKENZIE: What about New Zealand?

Mr. COLDWELL: I am a member of parliament for Canada and I will not assume responsibility for any other country.

Mr. MACKENZIE: We hear a lot about New Zealand.

Mr. COLDWELL: I will say to the Minister of Veterans Affairs, who is muttering under his breath something which I do not quite hear, that the means test should be entirely abolished. It is humiliating, and I am pointing out that it was abolished in connection with family allowances. If it is not applied in connection with family allowances the same principle can be followed in connection with old age pensions. The fact is that many well-to-do Canadians receive family allowances and indeed were urged to apply for them, and over and above the allowance it was taxed back through income tax in proportion to the amount that was not needed. That is the way in which we should deal with old age pensions. If the principle is just and valid with respect to family allowances it is equally just and valid for old age pensions.

My hon. friends who believe in free enterprise are invariably telling us that we need to encourage thrift, that saving is something which is absolutely essential to the free enterprise system. I know of no greater discouragement to thrift than the means test for old age pensions. Let us take a look at it. Here is a young man, or a young woman, twenty-one or twenty-two years of age. This young man decides to take out an annuity. Suppose he goes to an insurance company or to the government. Let us say he goes to the government.

Mr. McIVOR: Hear, hear.

[Mr. Coldwell.]

Mr. COLDWELL: Hear, hear, says my hon. friend the member for Fort William, and I agree with him. Well, this young man takes out an annuity for $50 a month payable at the age of sixty-five. The amount he has to deposit every month—and I believe I am using the actual figure—is $8.37 or thereabouts, or approximately $100 a year. Under the scheme we have before us, when that young man, or young woman, reaches the age of sixty-five he will have denied himself at the rate of $100 a year the pleasures that some other young man or some other young woman in the same condition has enjoyed in the interval; for when they reach the age of seventy the young man and the young woman who have not denied themselves anything get the old age pension, whereas the young man or the young woman who has saved all through life at the rate of $100 a year to buy an annuity is told, "You cannot get the pension because you now have $600 a year", which in this bill is the limit of income, including pension, that anyone may receive.

That, I say, is a distinct discouragement to thrift, and I may add that in my own circle of young people, as soon as they are old enough to earn I advise them to take out a government annuity in the hope that some day the means test will be abolished and their thrift will be rewarded instead of being penalized.

I say to all my friends, particularly those who believe in free enterprise, that one thing which they should be doing is to urge, as I am doing, the abolition of the means test.

Mr. ABBOTT: For non-contributory pensions?

Mr. COLDWELL: Oh, yes. I am saying this, that if a young person contributes to the purchasing for himself of a pension of $50 at the age of sixty-five or seventy he should not be penalized under this bill.

Mr. ABBOTT: My question was this: Is my hon. friend advocating the abolition of the means test in connection with non-contributory pensions?

Mr. COLDWELL: Yes.

Mr. MacINNIS: On the same basis as judges' pensions.

Mr. COLDWELL: Or family allowances. If I may interject this, I believe that this house would be wise to give consideration to a comprehensive social security system including old age pensions, health and all the rest of it, to which individuals would contribute during their active life. I do not know whether my hon. friend's party are on record in this regard, but we are on record—

Mr. MARTIN: I just said the same thing.

Mr. COLDWELL: I do not know whether the hon. gentleman's party is on record, but we are on record that that is a reasonable proposition, but not for a paltry $30 a month and nothing else.

Mr. KNOWLES: Forty-eight years hence.

Mr. COLDWELL: Yes. I have in mind a social security plan that will cover invalidity and the other hazards of life as well as old age.

Mr. BERTRAND (Laurier): My hon. friend spoke about not providing for the annuity because, with the means test, young people would be debarred from having the full extent of the pension. Does that not apply to every other saving as well as the saving of $100 a year for the purpose of the annuity?

Mr. COLDWELL: Yes.

Mr. BERTRAND (Laurier): Then the hon. gentleman is arguing in favour of everyone spending every cent he gets.

Mr. COLDWELL: Oh, no. I am urging the very opposite. I am saying that the policy of the government now encourages young persons to spend every cent and not even to own a home, because if they own a home they are penalized.

Mr. MARTIN: Not under the regulations.

Mr. COLDWELL: Oh, yes; $2,000 is the limit on the estate.

Mr. MARTIN: When we get into committee my hon. friend will see that under the new regulations that is not the case.

Mr. COLDWELL: I have looked at the bill.

Mr. MARTIN: When we get into committee I will show that that is not the case.

Mr. KNOWLES: Why did you not say all that in your speech?

Mr. COLDWELL: Instead of entering into a political address, why did my hon. friend not explain the bill?

Mr. MACKENZIE: That goes both ways.

Mr. COLDWELL: The speech I am making now and have made this afternoon is not the type of speech I intended to make when I came into the house at two o'clock. It was the political atmosphere engendered by the minister that changed my speech this afternoon.

Mr. MARTIN: My hon. friend and I are good friends and I know he would not accuse me of being politically minded.

Mr. COLDWELL: Then the hon. gentleman is a poorer judge of a political speech than I thought he was. That is all I can say if he says that.

As far as the age goes, we are far behind some of the other countries. Not one of the following countries has a starting age as high as seventy: Denmark, Sweden, France, the United Kingdom, New Zealand, Australia and the U.S.S.R. Only one of those has a higher starting age than sixty-five and several have a lower one. It seems to me that the system in use in some countries whereby the pension is increased if the recipient is prepared to wait for a few years, is also a system which might be considered by this house, and I throw it out as a suggestion. However, that is something for the future. The point is that we are now discussing an old age pension plan to come into effect immediately, and I say that plan should be more generous and should come into effect at age sixty-five.

I agree with the leader of the opposition regarding blind pensions. I have always had a personal reason for taking a keen interest in them. I think that to set the blind pension at forty years of age is to cause hardship to large numbers of people under forty. As soon as the child passes the period of dependency, the pension should be available. In some of our provinces that age of dependency, under the children's allowance act, is sixteen; in other provinces it is eighteen. As soon as the individual passes out of the age of dependency, the pension should be paid to the blind person.

The bill before us then is inadequate. It fails to recognize the dominion's responsibility for old age pensions. I say that the entire responsibility for old age pension payments should be in the hands of the dominion. I know that never has been the policy of my hon. friends opposite. They started with the dominion contributing fifty per cent, and when my hon. friends to my right got into office in 1930—after their leader, Mr. Bennett, had promised that the old age pension would be entirely borne by the federal authority—they raised the federal contribution to seventy-five per cent. For the reasons which I gave when I first rose to speak, I want to see the federal contribution raised to 100 per cent. Some provinces have limited resources; other provinces have greater resources. Some provinces can afford to pay something in addition while others cannot. This bill, drafted in the way in which it is drafted, does not compel any of the provinces to pay $30 a month.

Mr. MARTIN: We cannot do it.

Mr. COLDWELL: My hon. friend says we cannot do it. I want to tell him that time and time again his government has said, and even today is saying to the provinces of Ontario and Quebec: "You can have certain benefits under dominion legislation if you will enter into certain agreements with us." I say that the same thing could be done with regard to old age pensions—

Mr. MARTIN: There is no doubt about what the provinces would say.

Mr. COLDWELL: —instead of saying to the province, "If you want to pay $25 or $20, we will pay seventy-five per cent." What is actually being done under this bill is, of course, to cause a good deal of unfriendly discussion as between the various provinces. At a time when we need national unity the government is putting into this bill something which aims a direct blow at national unity.

Mr. KNOWLES: And the old age pensioners will be the victims.

Mr. COLDWELL: Yes; as my hon. friend says, the old age pensioners will be the victims. Why should the old age pensioner be penalized because he lives, we will say, in New Brunswick where there are inadequate natural resources as compared with an old age pensioner who lives in British Columbia where there are tremendous resources?

Mr. CRUICKSHANK: They all ought to live there.

Mr. COLDWELL: Why should that differentiation exist? All Canadians should be entitled to the same benefits under national legislation. My hon. friend reminds me that, when war comes, all Canadians have to defend the country no matter where they may live.

Mr. CRUICKSHANK: They will not all do it, though.

Mr. COLDWELL: I said that some provinces, instead of giving an additional amount of money, gave additional services, and that is something which should not be overlooked when we are discussing how much a province is doing. My own province is doing a great deal in the way of additional services to the aged. Moreover, I hope they will endeavour to do something for that group of people not provided for in this bill, namely, the indigent people who are under seventy. They have a real claim on the people of this country. If we are to ration poverty, which the government's measure is actually doing, then let us see that we ration it so that those who are really in need get some small ration as well. The position I have referred to is a desperate one for any province to be in, and is a desperate thing for this government to put upon the country at the present time.

I see that my time is just about exhausted. I have not covered all the points I should like to have covered, but I think I have said enough to show that we are bitterly disappointed with the inadequacy of this measure, that the people of the country were expecting something better, and that after twenty-eight years since this Liberal platform of 1919 was adopted.

An hon. MEMBER: The pages have become yellow.

Mr. COLDWELL: Yes, as someone remarks, the pages have become yellow. They have become as yellow as the government has become with regard to its own programme.

Mr. MACKENZIE: May I ask my hon. friend a question? Is he opposed to the increased benefits in this bill?

Mr. COLDWELL: My hon. friend need not ask that question. He knows perfectly well that, while we asked for more, we shall take the little that is given and try to make the best of it in the meantime. However, we are expressing our belief that the people of this country will be as dissatisfied with this measure as we are.

Mr. SOLON E. LOW (Peace River): I am sure that the minister who introduced this bill will want to know exactly what our group thinks about his offspring; and I am going to try to tell him, in a short space of time, exactly what I think about it.

Mr. JOHNSTON: Using parliamentary language.

Mr. LOW: I shall be using parliamentary language.

Mr. BENTLEY: But you will not be meaning it.

Mr. LOW: I am speaking for my group, Mr. Speaker, and I do not intend to take more than ten or fifteen minutes. While the minister was making his statement I had visions of the hon. gentleman on his hands and knees, struggling with all his might to push with his nose a peanut from here to the Rideau river. It was a great struggle.

Mr. JOHNSTON: It is too bad he did not reach the river.

Mr. IRVINE: The peanut bill!

Mr. LOW: That is just about the way we look at this bill. It is just about the size of

a peanut so far as help for the aged citizens and the blind pensioners across this country is concerned. Let me say further, Mr. Speaker, that no group in this house has any monopoly on interest in the aged people. We do not pose as being the lord protectors of the aged and the blind; not by any means. I agree with what the hon. member for Calgary West (Mr. Smith) said in debate a short time ago, to the effect that the C.C.F. cannot lay claim to being their sole protector, nor can the Social Credit group, the Progressive Conservatives or the Liberals. In spite of the fact that the Liberal government is reputed to have introduced a bill back in 1927, I think the minister said, and that in the twenty-year period following they have brought the benefits up to the present level, I feel they must give credit to other hon. members in other parts of the house for continuously pressing for and advocating these changes, being consistent day in and day out, year in and year out in their endeavour to have these pensions improved.

There is, however, one thing I should like to say in that connection. Our movement generally, from the first year of its administration in Alberta, undertook to translate its views and philosophy into action; and, as has been stated already in this debate, in 1942 we attempted to get the dominion government to join us in increasing the pension to $30 instead of $25. The federal government could not see its way clear to do so at that time; therefore the Alberta government went it alone and paid an extra $5 per month per pensioner. That does not seem like a very large amount of money, but I would remind hon. members that with approximately 11,000 pensioners it meant a yearly outlay of over $700,000, which the Alberta government had to make by itself. That is a considerable achievement for a province the size of Alberta, with fewer than 800,000 people, particularly in the period following some devastating years through which the province had to pass. In the intervening years a programme of medical assistance has been worked out, and now Alberta is extending medical, dental and hospital facilities to the aged and blind pensioners of that province and their dependents, as well as mothers and their dependents who come under the mother's allowance there. I understand that Saskatchewan has a similar programme, and I say all honour to them for recognizing their responsibility toward the older and unfortunate citizens of this country. I merely mention these things to emphasize that at least some groups other than the Liberal party have had at heart the welfare of the senior citizens and the blind in Canada.

Some things in the bill I look upon as great improvements over the old act, and I congratulate the minister on having introduced those improvements at this time. Let me say quite clearly that we do not fail to recognize that the minister is trying to operate within the restricted confines of a financial structure which perhaps makes it impossible for him to do a great deal more than he is doing at the moment. He must dip into the pockets of the taxpayers of this country to get the money he pays out in old age pensions. We realize that, and we have sympathy for him under the circumstances. I have been in a similar position, vying with other ministers in asking for money, and I know exactly what he is up against and the competition he runs into. So, as I say, while I may make some disparaging remarks about the child he has brought forth today, at the same time I have great appreciation and sympathy for him in the circumstances. It makes it very hard for our group to vote against this measure, because there are some improvements over the old act and some great benefits to our aged citizens. So I must make our position clear. We will, of course, support the minister in paying these extra benefits and in relaxing the qualifications, and what-not; but we must register our complaint that the bill falls far short of what senior Canadians had a right to expect.

For a few moments I should like to deal with the suggestion of the minister that we must have a long range programme looking toward the day when Canada can introduce a system of contributory old age pensions and social security. While the leader of the opposition (Mr. Bracken) and the hon. member for Rosetown-Biggar (Mr. Coldwell) were speaking, I made a few hasty calculations. They may not be exactly right, but the figures will convey the general idea. I took the average head of a Canadian family. At the present rate he will have to surrender to a very much inflated state, that is to the government of Canada, $700 worth of the fruits of his labour every year in taxes. Over a period of fifty years, if this average head of a household began his active earning career at twenty years of age, he will have to surrender $35,000 to the state. When he reaches seventy years of age he has a life expectancy of eight years and 296 days, according to the latest insurance mortality tables. If at that age he becomes a pensioner and lives out his expectancy he will receive back under the

new bill just introduced eight times $270 plus $242.50, or a total of $2,402.50, in the form of a pension.

Mr. BLACKMORE: And will pay hidden taxes on every dollar of it.

Mr. LOW: Yes; as my hon. friend says, he will pay hidden taxes, sales and excise taxes and so on, on every single penny he spends. Let us ponder these figures for just a moment. This average head of a Canadian family is forced to surrender to the federal government—and I am speaking of the federal government only; I have neglected to calculate what he would surrender to provincial and municipal governments—$35,000 of the products of his own labour over the active years of his life. So I ask this question. Can anyone seriously or successfully argue that this average head of a Canadian family has not thereby purchased for himself social security in his old age, so long as the Canadian economy can produce sufficient goods and services to keep him in decency in his old age? I would challenge anyone successfully to argue that he has not so purchased a decent security in his old age.

Mr. BLACKMORE: Without contributing.

Mr. LOW: Yes, without contributing anything more. I maintain that he has; and I maintain, further, that all the talk about the desirability of a contributory pension in the years to come is so much eyewash. We already have a contributory shadow of a pension, and I contend that every Canadian during his active years, particularly under present circumstances with the burden of taxes he has to surrender to the state, buys a pension as of right when he is ready to retire from employment in the productive enterprise of of sixty or sixty-five. Anyone who thinks he our country, any time after he reaches the age has not should present his arguments during this debate to show that is not so.

All our tendencies in this country today are toward robbing men of their independence through taxes and death duties at rates that are punitive; and those tendencies are toward reducing the productive individual to a mere vassal of a non-productive state. As a result, many individual citizens in Canada are kept on the borderline of poverty throughout most of their lives, so that in too many cases our people simply cannot reach the age of retirement with the means to keep themselves in decency for the rest of their days. Might I suggest that if the government do not want to make pensions represent a reasonable living allowance they leave with the individual Canadian over the years of his active life a greater portion of the product of his own labour, and he will look after himself.

The Social Credit group in the house has felt since 1935, and now feels, that it will be necessary to lower the pensionable age to sixty years and to bring in a general pensions act providing for not less than $50 a month, without a means test. We have advocated that consistently.

The Alberta Social Credit government has consistently passed resolutions to induce thinking Canadians to insist that such changes be made. We do not think we should go any longer under provisions for the means test. It is unfair; it is unjust, and in future years it will become obvious that it is unworkable.

On another occasion I made our position clear by saying in effect that the absolute necessity for bringing up the pension, abolishing the means test and bringing down the pensionable age will become more apparent as the problem of unemployment develops to its full intensity, under the discredited system of finance which this government persists in following.

We are reaching the time right now when unsaleable surpluses are beginning to appear in the Canadian economy, and when provision will be made to destroy or to waste those so-called surplus products in our country. I suggest that, unless a scientific method of distributing these surpluses be found soon unemployment is bound to follow within a matter of months.

The paying of a pension of $50 to every Canadian at the age of sixty years or over may sound like a big undertaking. But in the light of the colossal gifts which Canada made to her allies during the war, and to other friends during the same period of time, and in the light of the further fact that in the giving of those colossal gifts we made ourselves more prosperous than we ever were in our lives before, the aggregate sum required to carry out the undertaking we propose becomes quite commonplace.

I know the minister is hard pressed and will continue to be hard pressed for money. He would find it difficult to implement the set of conditions we propose so long as pensions must be paid out of taxation. While that condition obtains, he will continue to have trouble. I suggest that the old age pensioners of this country, if they ever expect to receive anything like a decent standard of pensions for their maintenance in the twilight of their years, must advocate a system different from the taxation system of today. Ade-

quate pensions will never be paid if the government has to dip into the pockets of the taxpayers to pay them.

In addition to our humanitarian interest in the welfare of our aged and blind citizens, we have other interests in this matter of old age pensions. Our interest is not in catching votes. We say that from an economic point of view it is absolutely necessary that we increase allowances to our pensioners and to the blind, if we are ever to balance consumption with production in normal times.

The minister is anxious about the self-respect of Canada's senior citizens. That is a worthy concern. I, too, am concerned about their self-respect; and I suggest that a man's self-respect can easily be lost if he knows he is the object of charity or that what he gets by way of pension is taken from the pockets of other people. Certainly in those circumstances he loses his self-respect; I agree with that. But I say now without fear of successful contradiction that the self-respect of any man in Canada is not lost when he is placed in the position of a shareholder in Canada Unlimited —a Canada that can produce enough that every citizen can live in security during his lifetime as well as in his declining years. If he receives during those years a pension out of moneys which do not first pass through the channels of industry, more particularly will his self-respect be retained. If he sees that, while he is a shareholder in Canada Unlimited, there are being wasted hundreds of millions of dollars worth of goods and services he may be sure it is because we are proceeding under an outdated and outmoded financial system which will not distribute those goods and services.

Mr. BLACKMORE: We are decreasing purchasing power where we should increase it.

Mr. LOW: Perfectly true. It is high time we began to recognize the need for saving what is otherwise wasted. When we do save, let us see that it is not wasted. The first thought that comes to the mind of any Social Creditor—indeed, to the mind of any decent Canadian—is: let us use the millions of dollars worth of goods and services in normal times wasted to improve the lot of the unfortunate citizens of this country, including the aged and the blind.

I wish to say just a word with respect to one other feature of the bill. After it has been passed, and while the minister is carrying on what I think should be conferences with the provinces, I hope he will have in mind the possibility of simplifying the administration of old age pensions. I had something to do with their administration for a period of eight years in Alberta, and I know the many difficulties of administering pensions under a divided authority and under the regulations as they have existed.

Mr. MARTIN: The hon. member has had wide experience.

Mr. LOW: Thank you.

Mr. MARTIN: Yes; the hon. member was a very good minister, despite his politics.

Mr. LOW: Since I learned about it, I have often wondered why pensions are not paid in the Yukon Territory. Perhaps in his rebuttal the minister will answer that question. If a person is a citizen of the Yukon for, let us say, a period of fifteen years and moves into Alberta or Saskatchewan, or some other province and, while there, reaches the age of seventy years, he is denied his pension upon application, because the Yukon Territory does not as yet pay pensions to its citizens. Many a hardship results.

Mr. MARTIN: Depending upon the action of the elective body in the territory.

Mr. LOW: Yes. I must say it seems to me that the federal government is much more responsible to the people in the Yukon than it is to the people in the other provinces. It has a direct responsibility. However, the minister will have a chance to answer that point.

One further matter. I am hoping it will be possible for the minister to announce that reciprocal arrangements have been made with Britain and perhaps some other countries, whereby pensions can be paid to British people and others who come to Canada and, while here, reach the age of seventy years. Let us say that they reach that age after living in Canada for eight or ten, or perhaps even only five or six years. At the present time I understand that there is no reciprocal arrangements between Britain and Canada, with the result that many Britishers who have reached the age of seventy years while in Canada and find themselves without the means of sustenance, are not able to obtain pensions. If I am wrong I should like to be corrected. Perhaps in his rebuttal the minister will make that point clear.

In conclusion, let me say that certainly we will support what the minister has brought forward; but we deplore the fact that the pensions paid to the aged people of Canada have not in any way increased with the cost of living in this country. We deplore the conditions under which many of our citizens have had to live during past years. We will continue to press with all our might for a sane and Christian system of pensions which at, let us say, the age of sixty or sixty-five, will provide to

every Canadian a reasonable amount on which he or she can live in happiness during declining years. Let that pension be as a matter of right. That is our position.

Mr. DAVID CROLL (Spadina): Mr. Speaker, I welcome this bill for the good it contains—and it contains a great deal of good. Under the circumstances, the minister has perhaps sweated out the best possible bill he could. I do not think it is good enough; perhaps he does not think so, either. But it is the best he can do, within certain limitations.

Mr. JACKMAN: What are the limitations?

Mr. CROLL: If the hon. gentleman across the way wants cross-fire on this particular subject I am prepared to give it to him, and then some.

In common with the speaker who just sat down I have had experience in administering old age pensions in the province of Ontario, and it was my duty to understand the federal Old Age Pensions Act. It is with that experience in mind that I hope to make some contribution. This bill represents a progressive step for the relief of the needy and the aged people. It lays a foundation and points the way as well as opening the door to a contributory system. In the past the minister has always indicated that he has a special interest in matters of welfare, particularly of the older people, and in his outline he has indicated the principles that lay behind this bill and the changes which it effects. He has emphasized that in liberalizing the conditions this government is spending $20,000,000 more. That is not a trifling sum; it is not an unimportant sum. Nevertheless, when it is considered that two-fifths of this year's budget is devoted to the social services—old age pensions, $65,000,000; family allowance, $250,000,000, veterans affairs, $430,000,000, unemployment insurance, $100,000,000—it is a matter of some considerable consequence.

I know that, by virtue of the rules of this house, there is nothing anyone of us can do to amend this bill; but our observations here today—and they have been very helpful up to now—will indicate that we accept what we get here today, but at the same time we notify the minister and the government that we are beginning a new fight for improvements. In the field of social legislation it was ever thus.

In the past our Old Age Pensions Act has been to some extent unrealistic. The basic pension, to which the dominion contributed seventy-five per cent, was $25 a month. This was increased by supplementary payments or provincial bonuses as we call them, and free medical care. The leader of the opposition (Mr. Bracken) has already placed on record the supplementary contributions made by the provinces, and I will not repeat them.

I have a special interest in this bill because I come from Ontario, and I do not enjoy all the snickering, good-naturedly, that has been done by members living outside that province. Nevertheless I see British Columbia doing such a splendid job for old age pensioners, while Ontario at the present time stands sixth in the amount of payments made to old age pensioners. Ontario is the richest province in the Dominion of Canada. Only those provinces which pay no supplement at all stand lower in the list. Just as a matter of interest, I wish to compare a few basic statistics concerning Ontario and British Columbia, and these figures I quote are from the "Canada Year Book, 1946".

The population of Ontario is 3,878,655, and of British Columbia, 817,861. The old age pensioners in Ontario number 59,774, and in British Columbia, 16,213. The capital invested in industry in Ontario is $2,994,953,988, and in British Columbia, $450,360,048. The gross value of production in Ontario is $5,254.698,241, and in British Columbia, $957,244,576. The net ordinary revenue in Ontario is $115,719,000, and in British Columbia, $40,962,000. In other words, Ontario's invested capital is roughly six times that of British Columbia; her gross value of production is five and a half times greater; her net consolidated revenue is almost three times greater, and her per capita wealth is twenty-two per cent greater. Yet British Columbia manages to provide an old age pension twenty-five per cent higher than that of Ontario. Ontario reminds me of a very rich son who fails to look after his needy parents.

Under this bill the government now proposes to increase the basic pension. If the provinces continue their current contributions British Columbia, as I think the minister pointed out, will pay $38.75. I see by this morning's press that the Ottawa *Journal* says:

> Some of the provinces are expected to add something to the higher basic pension. British Columbia has been reported as ready to tack on another five dollars, bringing the pension total to $43.50.

I hope that is true, and it may be because they have done so well.

Mr. MACKENZIE: British Columbia always leads.

Mr. CROLL: Nova Scotia will be able to pay $35.41; Saskatchewan $33.75, and Ontario, $31.75. The reason I give those figures will be evident in a moment. Ontario at the present time is paying less in old age pensions

than it was on November 1, 1929. When it first came into the scheme Ontario was paying $10 and the dominion was paying $10. In 1931 the dominion government increased its share by one-half, from $10 to $15, and thereupon Ontario reduced its share by one-half, which meant that its $10 contribution was cut to $5. Now the Ontario government's share of the $25 that is authorized by the present Old Age Pensions Act is $6.25, which is what the pensioner receives each month at the present time from the province. To this we must add the provincial bonus, which is fifteen per cent of the actual pension, but not higher than $3. If we add the $3 we shall find that the Ontario government is now paying $9.25. At the present time Ontario is paying $9.25, whereas in 1929 it was paying $10 to the pensioners, and that is the sum that it originally undertook to pay.

I wish to emphasize that Ontario has a much smaller percentage of persons seventy years of age and over actually on pension than any other province. Only three persons out of ten in Ontario over seventy years of age qualify even for a partial pension; whereas in New Brunswick the figures indicate that six persons out of ten over seventy years of age qualify. The point I make is that if Ontario were paying a pension in accordance with her ability and in accordance with the need of the people comparable with that which is being paid by British Columbia she would now be paying $46.50.

Mr. TUSTIN: Why did the hon. member not increase it when he was minister?

Mr. CROLL: I am glad the hon. member asked that question. My hon. friend wants to know why I did not increase it. I was minister from 1934 to 1937. In those years in Ontario we had 400,000 people on relief. We spent $15 million of our own money for people on relief. At that time $20 was a tremendous sum of money and was worth far more than $30 that is being paid now or even $40 at the present time. At that time our sole interest was to make sure that the people got the $20. Instead of talking about increasing it, we had to hold it. We were then in the depths of the depression. That is why we did not increase it at that particular time, if my hon. friend wants to know. But we never stopped advocating that—

Mr. TUSTIN: The Liberal government was in power until 1943.

Mr. CROLL: I should take some of the responsibility. It must also be remembered that we gave the supplement in 1942, which was in accordance with what the others had to pay, and we provided medical attention of the kind that is provided by the other provinces. We were in line up to 1942, though my responsibility as a minister finished in 1937, as the hon. member knows.

May I now return to the argument. At the present time Ontario provides about forty-nine per cent of the revenue of the Dominion of Canada. Under the various agreements with the provinces, Ontario money is being used for the purpose of raising this pension. With that I have no quarrel. I am wholly in agreement with it, but it seems to me to be foolhardy that this attitude should obtain between the provinces whereby the old and the sick, the lame and the blind are being used as a pawn in a political campaign.

Mr. GREEN: By the dominion.

Mr. CROLL: Not by the dominion. The same agreement is open to Ontario, and the other provinces seem to find satisfaction in it. Under the present bill, it is possible for Ontario to pay the maximum pension of $31.75 without increasing her current contributions one bit. My appeal to Ontario is that they should pass on—

Mr. KNOWLES: Hear, hear.

Mr. GREEN: That is all the hon. member is interested in.

Mr. CROLL: —to the old age pensioners at least the benefits which are being provided at the present time in this bill. In my opinion there is no reason why the wealthiest province in all Canada should not at least be on a par with British Columbia.

I have said that the percentage of old age pensioners in Ontario—

Mr. GREEN: Why did they not do it in 1942?

Mr. CROLL: —as compared with British Columbia and other provinces is no greater. Ontario owes it to these needy people to see that the pension is brought up not only on a par with British Columbia but in accordance with the need of the people.

There are two other matters on which something needs to be said. I am not going to deal with the administrative part of the bill. The hon. member for Peace River (Mr. Low) indicated that there might be administrative difficulties. There are administrative difficulties, and they are not easy to hurdle. Steps should be taken to lay down a uniform administration of some kind and to simplify the administration. Today we have local boards. We are the only province

in Canada which still maintains these cumbersome local boards whereby the old age pensioner in a small town has to pass through various hands. Rather than face up to it, many of them go without pensions far longer than they ought to. These are administrative matters that are of some consequence.

There are two things in this bill that particularly appeal to me. One is the matter of clarification of residence and the other that of nationality. They did not attract a great deal of attention when the matter was discussed, except for a few words here and there, but they are important. A large minority of Canadians will rejoice over the liberal wording of these two clauses in the resolution. At times every hon. member has had instances of persons come to his attention who were born in Canada and who lived here almost all their lives. Because they went away from Canada for five or ten years in the period between their fiftieth and seventieth years they found on their return to their native country, that they could not qualify for old age pensions. I am thinking now of a specific case of a man who was born in Canada and lived here until 1916. He went to the United States and was absent from 1916 to 1935. At seventy years of age he applied for the old age pension. This man had lived in Canada fifty-one years but had lived here only twelve years out of the last twenty. At that time he was advised that he was not eligible for the old age pension. This bill now corrects what I thought was a mistake and what is now recognized to be a mistake.

The bill is also more generous with respect to those who are now in Canada but who are not citizens of Canada. There are a great number of people who were born in other lands and who, for some reason or another had not become naturalized. They have spent the required number of years in this country. They have contributed to the general economy even though they were not citizens. They have paid their taxes; they have worked in our factories and on our farms; but, for one reason or another, perhaps because they came too late in life to learn the English or the French language, or perhaps for some other reason, perhaps just from neglect, they have not become naturalized. It is to the credit of this government that they have decided to follow the precedent established in the unemployment insurance and the family allowance measures and extend the benefits of old age pensions to all persons in this country over seventy years of age who have completed the required period of residence or otherwise complied with the act.

I said a few moments ago that this debate would be an acceptance of what we have offered to do, but that we would immediately begin a new fight for improvements. In the field of social service we can never stand still. The status quo is never good enough. We must continue constantly to go forward and we must do a thorough job of it. I appreciate that putting a few blow-out patches on the 1927 act, now twenty years old, is just a beginning. We are now living in an age that calls for a new social deal, not only for the underprivileged, but for the aged and the needy.

It must be said in fairness that this bill is a step forward, but it only touches the fringes of the problem. In an appreciation of the problem of old age pensions there are three considerations which are uppermost in our minds and which have been touched on by speakers who have already taken part in the debate. These are the means test, the amount of pension, and the age at which pensions become payable.

I should like to consider these for a few moments. Two years ago I described the means test by referring to it as invidious or, as I believe a member of the house referred to it, as the poverty test. I have not changed my mind on that. It is a hangover from the old days of the poor laws when a person claiming a pension had to prove himself completely destitute and without relatives to support him. I know it is beyond question that a great number of deserving people are debarred from receiving a pension because they cannot submit themselves to the indignity of the means test; yet we are forced to insist upon it and, by doing so, we condemn some of them to an old age that is barren and cheerless poverty. This bill is an improvement. A person may have an income of $600 a year. It is a tremendous improvement over the previous limit of $425, but I, too, say that it is not enough. It seems to me that we are setting a maximum living standard of $600 a year for our senior citizens, and I would ask this question: Are we justified in requiring old persons to live on a maximum of $600 a year when we consider that the benefits of unemployment insurance, inadequate as they are, assure to a single person without dependents, who has been earning $26 a week, a maximum of $636 for a year? A man of seventy years of age has basically the same needs for food.

clothing and recreation as the man who is younger and he must pay the same prices.

I have always been opposed to the means test. It is archaic and ungenerous. I wonder if we in Canada cannot afford the dignity of an old age pension free from that test. I could not agree with the leader of the opposition when he said that we had reneged on our promises made in this house two years ago in the white paper. I have here the statement made today by the minister in which he recalls the proposals made in August, 1945, to the provinces with respect to a programme for national health, public investment and social security, and he reiterates that we stand by them now as we stood by them at that time. That certainly envisaged a contributory old age pension scheme.

May I touch upon another matter. I wish it were not necessary to shame ourselves into taking some of these forward steps in social services. I am a little bit tired, as I know other members are, of pointing out what other governments are achieving in progressive little countries like New Zealand, Denmark and Sweden, and then calling upon this great country of ours to catch up with them. In every branch of social welfare, from old age pensions, yes, to divorce, we have always had to wait for someone else to show us the way. Why can we not show these other countries an example of humane and advanced social legislation?

I said a few minutes ago that we did envisage such a plan in 1945. In so far as the basic pension is concerned, it will be of little value to specify an optimum amount of pension that should be paid. Clearly $28 a month paid in Ontario is not enough. Previous speakers have suggested $50 a month as adequate. I should like to have voted for $50 a month. I believe it would far more nearly meet the situation. But personally I think it is a very poor idea for the various political parties to start bidding against one another in this matter. For my own part I should like to see the old age pension raised to the highest possible level, but rather than name an arbitrary figure I think the government should relate the old age pension directly to the cost of living as it fluctuates from time to time.

Mr. LOW: Starting where?

Mr. CROLL: The food index has risen 48 points above the pre-war level, or almost fifty per cent, whereas the statutory amount of the pension until now has increased from $240 to $300, which was a matter of twenty-five per cent. The bill now raises it to $360, or fifty per cent of an increase, which brings the pension into line with the present cost of living.

Mr. IRVINE: Assuming that they could live on it before.

Mr. CROLL: I am trying now to see where we should start from. I have no quarrel with the hon. member on the old figure; I am trying to see that we improve the new figure. This might be done by paying a cost of living supplement to augment the basic pension. Such a supplement would rise or fall with the cost of living index, always leaving the basic rate unchanged, which is now $30.

Finally, there was a question of the qualifying age, the age at which the pension should be payable. In different countries opinions vary on this point and they change with the economic cycle. In bad times there is a tendency to lower the pension age and to tempt the needy people out of the labour market and so make room for younger workers. While it is true that in an expanding economy like ours there is room for every employable person, I consider it wrong for us to compel senior citizens to work by setting the qualifying age so high. As a guiding principle we ought to adopt the recommendation of the 1932 international labour conference, that the pensionable age be set at not more than sixty-five, and in doing so we would only be following the example set by almost every other civilized country in the world, as was pointed out by the leader of the C.C.F. (Mr. Coldwell). In at least nine countries—the United States, England, New Zealand, France, Australia, Czechoslovakia, Sweden, Denmark and the Soviet Union—the pensionable age has been fixed at sixty-five or less.

Mr. IRVINE: It is fifty-five for women in the Soviet Union.

Mr. CROLL: Among the great middle powers, we are still holding out with respect to age. I think it is time that we fell into step with these other countries.

Mr. MARTIN: We are prepared to do that.

Mr. CROLL: That is good.

Mr. KNOWLES: After twenty-eight years.

Mr. IRVINE: Why does the government not do it and get ahead with it?

Mr. CROLL: There is another matter which I think ought to be given consideration. There is a situation which frequently arises—and it was referred to on the floor of the house, I think by the hon. member for Swift Current (Mr. Bentley)—where the head of the house is unable to work and draws the old age

pension. His wife is younger than he is, but not eligible under the statute. Both of them must try to live on his pension. I think it is high time, in cases where the wife is unable to work, that the regulations be changed so that the pension to her becomes automatic. That may appear to be a small point, but I assure you, Mr. Speaker, that the lack of just such a simple provision is causing real hardship in many families throughout this country.

These many things about which I have been talking—abolition of the means test, increase in the amount of pension, lowering of the qualifying age—cover only half the problem. Taking care of Canada's senior citizens is more than a matter of dollars and cents. Even though they have withdrawn from active participation in business and industry, we cannot feel that they are not members of the community and that they have not a place in society. They are not to be just pensioned off and forgotten. This is becoming a really serious social problem in view of the changing position of Canada. We have always looked upon ourselves as a young country. The emphasis has always been on youth. Yet it is calculated that, within a generation and a half, thirty per cent of Canada's population will be over fifty-five years of age. This inevitable trend toward an older population is a matter of some significance. I have here a newspaper report, from the New York *Times*, of a statement made last month by the director of the social science department of the university of Michigan. This is what he said in part:

> For one thing the political power of the older person will grow. With that development will come more and more demands for social security. Old age insurance will become more important. Business will be giving more attention to annuity and pension plans. Taxes for support of old age persons will rise sharply. Positions of importance in government and business are more apt to be held by older persons.
>
> Consumer demands also will change. Our recreation planning will have to take into account the demands of older persons. Travel should increase and books and concerts should become more popular. Population shifts will continue as the older people, who have retired, drift to the states with the mild winter climates.

These are just a few of the changes which we may expect to find mirrored in our own society in the next twenty-five years, and we must begin to plan now to cope with them. We must prepare to face the growing problems of support, physical and mental health, recreation and social relations, of our senior citizens who, within the next thirty years, will comprise at least one-third of our population. In the post-war world we are trying to fit everyone into a spot. We have not yet successfully fitted our older generation in at all. Unless we do something more than we have done up to the present time, we shall build up a Townsend movement for social security which will crusade with more zeal than good sense. If we can ensure for all Canadians a broad programme of social services, we are not likely to be troubled with fabulous plans for $200 or $300 a month pensions and the like.

But money payments are not the whole answer. Britain and other countries supplement the cash pension, not only with medical services, but with extra food, recreation, health services, and even domestic aids for pensioners. In my own province of Ontario we not only pay low pensions but provide none of those social services. It is the duty of the government and the community to do more than they are doing at the present time. They must provide community centres, clubrooms and other facilities for the use of the old people. Perhaps some of our existing facilities might be reserved exclusively on specific days for these older people, as is done in the United States and Britain. The older third of the nation made Canada what it is today; and to them we still look for counsel and example. We must neither forget them nor take them for granted. As members of parliament charged with responsibility, we must do everything in our power, not only to make their lives richer, but to make them more meaningful.

Mr. DONALD M. FLEMING (Eglinton): We have listened to some unusual political speeches during the course of the debate this afternoon. I think it is fair to observe—in line with some of the observations which have been made here today, particularly those that harked back to a remark dropped in the house a few days ago by the hon. member for Calgary West (Mr. Smith)—that is a pity that the subject of old age pensions should be made the vehicle for political speeches. While on the subject of political speeches, I wish to say with some vigour that the two speeches we heard this afternoon from the government benches certainly struck a partisan note. I feel confident in saying there was not anything which could have been said by way of extenuation of the government's failures in times past in the field of social security and old age pensions, which was not said by the Minister of National Health and Welfare (Mr. Martin).

Mr. MARTIN: It hit the spot, apparently.

Mr. MACKENZIE: It struck home.

Mr. FLEMING: There was not anything that could have been said, concocted or imagined in praise of the government which was not said, concocted or imagined by the minister. I say of him that he undoubtedly did a masterly job this afternoon, but not of making a presentation of this bill in its true proportions and proper perspective. It was a masterly job of inflation.

Mr. HALLE: Let us talk business.

Mr. FLEMING: I shall have more to say about that later.

Mr. HALLE: I hope not.

Mr. FLEMING: As to the speech made by the hon. member for Spadina (Mr. Croll), I should like to say that his detour from the theme of his speech in order to make a deliberate, partisan attack on the government of his province and mine was an obvious attempt to play politics with a national issue.

Some hon. MEMBERS: Oh, oh.

Mr. MARTIN: The hon. member must not impute motives.

Mr. FLEMING: I shall have more to say about that. My hon. friend has not yet heard all that I propose to say in regard to those two efforts. I ask the hon. member for Spadina, for instance, why, in trying to abuse the government of Ontario and make that province appear to be a laggard in the matter of social security, he did not tell the house, as he might well have done, that Ontario was one of the first provinces to come into the old age pension scheme.

Mr. MACKENZIE: No; British Columbia.

Mr. FLEMING: I said one of the first. If the Minister of Veterans Affairs (Mr. Mackenzie) will permit anyone to discuss any other province, perhaps I might say a word concerning Ontario. I think the minister has had a pretty good inning this afternoon, and he might let Ontario have a little time.

Mr. KNOWLES: Let us give the old age pensioners an inning, too.

Mr. FLEMING: That was a sound remark. It is about time the old age pensioners had their inning in this debate. I am glad to say that Ontario has been no laggard. It has been well to the front in matters of social security. I will say that Ontario takes second place to no other province in Canada in matters of sound social security. When I was interrupted I was saying that Ontario was one of the first provinces to come into the old age pension scheme, coming under it in 1929. It is to be remembered also that Ontario was the pioneer province in providing free medical service and free medicine for old age pensioners. It was far ahead of those provinces which are making much of the fact that they do this now. Why did the hon. member for Spadina not say that?

Mr. CROLL: I didn't want to brag, because I did it.

Mr. FLEMING: The hon. member for Spadina may have started it, because he had the opportunity to do so when he was head of that department in the government of Ontario. He did not say it has been carried on by the government that has been in office since that time. He did not say the government of Ontario has maintained that leadership. To those not acquainted with the situation in this province, his remarks today must have left the impression that Ontario was lagging behind, whereas Ontario has been the pioneer and, under the present government of that province, still holds the leadership.

Neither were we told by the minister or by the hon. member of Spadina that it was a Conservative government under Mr. Bennett that in 1931, on behalf of the dominion, recognized and assumed the dominion's primary obligation with respect to old age pensions. You will remember, Mr. Speaker, that up to that time they had been a matter of equal financial responsibility as between the dominion and the provinces. Mr. Bennett's legislation placed three-quarters of the responsibility upon the dominion. That was a recognition of the primary obligation, the primary responsibility of the dominion in respect of the provision of old age pensions.

Mr. HARTT: Did he carry it out?

Mr. FLEMING: Yes, he did; he put it on the statute books. He did not leave what he had to say to moulder in musty books containing party platforms; he put his promise into the form of a statute in 1931, and not even the present government have dared depart from that principle. They have not increased the proportion, nor have they reduced it. That proportion has stood since that time. This is very important, because I am going to place before the house today the contention that in the speech we heard this afternoon by the Minister of National Health and Welfare there was an attempt to reverse the policy which has been recognized ever since 1931. The primary responsibility was recognized then by the dominion. It has not been disavowed since, until we come to the speech by the Minister of National Health and Welfare today.

Mr. MARTIN: May I ask a helpful question? Where did the province, whose govern-

ment my hon. friend lauds so much, stand through its premier in regard to family allowances?

Mr. FLEMING: The government to which my hon. friend refers, which is the government of his province and mine, did not say it did not believe in family allowances. The premier of that province did attack the motives of the administration in introducing that measure at that particular time; but he said then and has often repeated since that he believes in family allowances.

Mr. MACKENZIE: A national bribe.

Mr. FLEMING: Oh, well, now, if the Minister of Veterans Affairs is making that as a statement, who am I to disagree with him?

Mr. MACKENZIE: I am quoting your leader.

Mr. FLEMING: I think the hon. member for Spadina did create the impression—I hope quite innocently, though he has been in political life for a good long time—

An hon. MEMBER: He is not that innocent.

Mr. FLEMING: Well, Mr. Speaker, I do not mind answering questions if I can hear them.

Mr. MARTIN: Go on; you are making a good speech.

Mr. FLEMING: Thank you; may I continue? I think the hon. member for Spadina did create the impression this afternoon that the matter was closed as far as the other provinces are concerned.

Now, here is a government which for months has been trumpeting its intention to bring in changes in old age pensions. There has been a great deal of fanfare, as there always is about the intentions of this government. They are never slow or backward in tooting their own horn. It has been trumpeted throughout the length and breadth of Canada that great changes were coming in the old age pensions; increases, of course. They did not say how much; they did not dare say how much, because it was so little. The governments of the provinces in the main have been waiting to see what would come out of all the fanfare, and they did not know until very late last night.

Mr. MARTIN: Why does my hon. friend say that?

Mr. FLEMING: I lay at the door of this government responsibility for the fact that none of the provinces, with the exception of British Columbia, have been taking steps in this field in recent months. Why should they, when the air was filled with uncertainty because of the vaporizing of this government?

While I am on that subject, may I remind hon. members that the premier of British Columbia has been asking this government to call a conference so that this whole question may be the subject of sensible negotiation. The dominion government still refuse to call that conference; apparently they do not want negotiation. The premier of British Columbia also made it clear that he hoped the increase introduced at the recent session of the British Columbia legislature would not be required for more than a temporary period, because it was his hope that this government would rise to its responsibilities and not seek to cast the burden on the provinces. Here is a Canadian press dispatch under date of February 11, reporting on the joint announcement of that day by Premier John Hart, finance minister Herbert Anscomb and provincial secretary George S. Pearson, with regard to the increase in the old age pension in that province, at the entire expense of the province. The dispatch states:

> Old age pensioners in British Columbia will receive a $5 cost of living bonus retroactive to January 1 this year, a joint announcement by Premier John Hart, finance minister Herbert Anscomb and provincial secretary George S. Pearson said today.

May I just pause there to say that British Columbia had the courage to make the increase in old age pensions retroactive to January 1. The best this government can do under the present measure is to start it from May 1. The dispatch continues:

> The bonus, second to be granted by the province, will bring the monthly old age allowance to $35. Of this amount British Columbia will pay $16.25 and the federal government $18.75.
>
> Premier Hart said the bonus was being given for a temporary period pending revision of the old age pension arrangements by the dominion government.

Let us bear that well in mind. Let the Minister of Veterans Affairs, who comes from that province, bear that in mind when he gives some indication of support for the proposals advanced today by the Minister of National Health and Welfare, and when he takes great credit—as credit is due—to the government of British Columbia for doing what the delays of this government compelled that province to do.

I shall read that again:

> Premier Hart said the bonus was being given for a temporary period pending revision of the old-age pension arrangements by the dominion government.
>
> The premier said that, while in Ottawa last November, he was assured by Prime Minister King that the moment a sufficient number of

provinces had signed agreements, he would call a conference to discuss the question of implementing the social security measures and public investment programme submitted to the dominion-provincial conference in August, 1945.

I interject there that they have seven provinces now, but they are no nearer to calling a conference. The government always has some excuse for not calling a conference together, when everyone knows it ought to be called.

The dispatch continues:

"It now is my intention to press for a convening of that conference and I have every hope that more generous treatment will be accorded those in receipt of old age pensions," Mr. Hart said.

The new bonus will cost the province $900,000 annually. Total amount now paid out in pensions to British Columbia's 18,000 pensioners is $5,700,000 annually, of which the dominion's share is $3,761,000.

It is perfectly clear from the statement made by Premier John Hart that he expected the dominion would rise to its responsibilities. He demanded or requested that the dominion government should measure up to its responsibilities, and call a conference to work out a new agreement. But it is clear that the government of British Columbia was not recognizing any obligation on the province to assume the primary load or the primary responsibility in respect of old age pensions. That responsibility, in his statement, rests with the dominion government.

If that responsibility is not to be discharged, if the dominion government is simply going to fold its hands in the face of the need, and say to the provinces, "Well, thus far we will go, and no farther; if pensioners do not get enough, from that point on it will be your responsibility"—

Mr. MARTIN: No one has said that.

Mr. FLEMING: —then they are turning their backs on an obligation which has been recognized by parliament and by the government of this country ever since 1931.

Mr. MARTIN: Who is playing politics?

Mr. FLEMING: You are.

Mr. MACKENZIE: May I ask a question. I do not like to interrupt—

An hon. MEMBER: Oh, no!

Mr. MACKENZIE: Does the hon. member not think it is better for the old age pensioners to receive the benefits projected in my colleague's legislation than to wait upon the contingency of a potential provincial conference?

Mr. FLEMING: That is a double-barreled question, and I should like to deal with both parts of it, in justice to the minister who has asked it. I shall take the second part first. Implicit in the second part of the question is apparently the assumption on the part of the minister that his government is not going to call a conference together.

Mr. MACKENZIE: No.

Mr. FLEMING: If that is the minister's idea, then I say this government is false to its trust.

Mr. MACKENZIE: No, no. My hon. friend is imputing motives which have no foundation in fact.

Mr. MARTIN: This is too important a matter for a minister of the crown to let pass, this suggestion as to a conference. My hon. friend should—

Mr. FLEMING: Is the minister asking a question?

Mr. MARTIN: I am asking a question.

Mr. FLEMING: One at a time. I will deal with one at a time. First, I shall deal with the question put by the minister from British Columbia. I do not think the Minister of National Health and Welfare should break in when I am attempting to answer his colleague's question. I do not think that is fair to his colleague.

Mr. MARTIN: I would not wish the hon. member to give the country the wrong impression.

Mr. FLEMING: I am trying to give a serious answer to a question by the Minister of Veterans Affairs.

Mr. DEPUTY SPEAKER: Order. The hon. member for Eglinton (Mr. Fleming) has the floor.

Mr. MARTIN: On a question of privilege—

Mr. DEPUTY SPEAKER: If the minister is rising to a question of privilege, very well.

Mr. KNOWLES: Make sure it is.

Mr. FLEMING: I thought the minister was just asking a question.

Mr. MARTIN: As the hon. member knows, he and I have been friends for many years.

Mr. FLEMING: And still are.

Mr. MARTIN: I would not interrupt him unnecessarily. But I do not want him, in a

matter affecting the welfare of the people of this country, to give the impression that the government of Canada is not prepared at the earliest opportunity to sit down with the provinces to discuss this important matter of social security, which this government since 1945 has been prepared to do.

Mr. STIRLING: That is nothing like a question of privilege.

Mr. FLEMING: I wish to say this to my good friend the Minister of National Health and Welfare, that he can trump up more excuses for making speeches on bogus points of privilege than, I believe, any other minister on the government benches. Anything serves as a pretext for him to jump in on a point of privilege. No matter who has the floor, he does it. I never object to a question. My good friend the Minister of Veterans Affairs had asked me several, and I was endeavouring to give answers to them. But the Minister of National Health and Welfare will not even give justice to his colleague. He has to break in with one of his bogus points of privilege.

Mr. MARTIN: I admit I was wrong.

Mr. FLEMING: I come back to the Minister of Veterans Affairs, and deal, first, with the second part of his question. If I were to make the assumption which I think was implicit in the second part of his question, namely, that the dominion government is not going to call a dominion-provincial conference together—

Mr. MACKENZIE: No.

Mr. FLEMING: —then I would have to say half a loaf or perhaps a tenth of a loaf—for that is all we have here—is better than no bread.

Mr. MARTIN: That is not true, and you know it.

Mr. FLEMING: I pleaded with the government before and I plead with them again. I plead now with the Minister of Veterans Affairs, who has a big heart, in the hope that he will hear it. I plead with the minister of Veterans Affairs to influence his colleagues to call that dominion-provincial conference together. This question, and all other questions in the country which must be settled in a dominion-provincial conference, should be settled, and that soon.

On motion of Mr. Fleming the debate was adjourned.

At six o'clock the house took recess.

[Mr. Martin.]

After Recess

The house resumed at seven o'clock.

SUPPLY

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

DEPARTMENT OF VETERANS AFFAIRS

454. Departmental administration, $1,651,360.

Item stands.

DEPARTMENT OF AGRICULTURE

Special—

36. To reclaim and to prevent the flooding of valuable agricultural lands in the valley of the Lillooet river, near Pemberton, B.C., $100,000.

Mr. REID: I was asking some questions on this item when the house rose last night. I want to make it clear that we from British Columbia are not objecting to this money being spent there, but should like to know whether the provincial government and the farmers concerned are putting up any money? How is it that this particular project was given preference? If the minister would give an explanation the item might pass.

Right Hon. J. G. GARDINER (Minister of Agriculture): The item is to cover a project which has been under way for some time. It was undertaken, in the first place, by P.F.R.A., but not as a P.F.R.A. project. People of that area made representations to the government to the effect that a number of returned soldiers had been settled in that area by the federal government and that each year the area was flooded just about the time the returned men were ready to put in their crops. The land was flooded as a result of waters coming down from the glacier which feeds the stream. About seeding time the floods were at their height and it became almost impossible for these men to make a living on this land. I had the privilege of visiting that area myself some years ago, I think in 1938. I looked over it, and anyone knowing the circumstances that exist there should be able to see that people cannot make a living on that land unless something is done. Personally I think that when a government, be it federal, provincial or municipal, puts a number of human beings on a piece of land I am satisfied that it has assumed a responsibility towards those settlers and that it should attempt to rectify the circumstances which prevent such men from making a living.

It is one of the most beautiful valleys that can be found anywhere in the dominion, and the land these men are on can be made the finest farm land in Canada. I cannot imagine any finer homes anywhere in the world than

can be established in this valley. These men are in there—I have forgotten the exact number of them, but I could get that information if required—and they have built nice little homes. Most of them have put up barns, and then they found that all that was needed to destroy their work for the whole season was for a few trees or some other obstruction to fall into the stream to cause it to overflow and flood their land. Because of the river being held back to a level which came up almost to the level of the land, a slight blockade would cause the river to overflow and flood their land. After having seen this actually happen at a season of the year when the land was being flooded, and believing that I knew something of the possibilities of that area, I asked the government to provide $10,000 to have an investigation made as to what might be done purely as an experimental project to ascertain what could be done in British Columbia in spots of that kind, and more particularly to give some service to these returned men who, some years ago after the end of the first war, had been placed in that area.

We had an investigation made and our engineers examined the whole project and made a report. I have a summary of their report before me, and I do not think the remarks that were made last evening should be allowed to stand as made without some correction, because they give a different impression from the facts as we know them.

The area is divided into three different projects, area No. 1, area No. 2 and area No. 3. I quote now from the report:

Area No. 1

Lillooet river between Lillooet and Tenasse lakes

In considering the reclamation of area No. 1 above, being the area from Lillooet lake to Green river, the method that gives the greatest assurance of success is to lower the elevation of Lillooet lake, both at its high and low stages.

In order to lower the level of Lillooet lake, both at low water and at high water, we proposed to construct a channel 300 feet wide at the bottom with side slopes of two to one over its entire length of 6,000 feet.

The report goes on to deal with the estimated cost per acre of the reclaimed land in this area, and says:

The cost per acre of land which will be reclaimed directly due to the lowering of the lake will be $131.50 per acre.

I think that was the figure mentioned by my hon. friend last night as the cost per acre of the project. It goes on:

This land at the moment is not being used for agricultural purposes, nor can it in its present state so be used. This is the cost when the total estimated cost has been charged to the land directly benefited. However, the effect of this lowering of the lake will be felt far beyond this area, as the success of the proposed works farther above in area No. 2 will depend in considerable degree on the lowering of the high water in Lillooet river at the mouth of Green river. Thus a certain proportion of this cost should be charged against lands in area No. 2.

In any event the reclamation of 2,706 acres of land at a price of $131.50 per acre appears to us to be worth while. The amount of such arable land in British Columbia is limited, and only occurs in our valleys. The benefits of this productivity to the district as well as to the province are quite apparent.

Area No. 2

Area No. 2 comprises all the land lying south and west of the Lillooet river, lying between Green river on the south and Miller creek on the north. The success of the reclamation of this area depends in a large measure on the degree of scouring of the bottom of the Lillooet river below Green river due to the lowering of the high water level of Lillooet lake. This scouring will have to be assisted where submerged logs or snags occur.

Cost per acre: The cost per acre of the works is $27.96. The benefits derived should soon pay the cost. Total cost of this project would be $55,915.

We are confident that the work outlined for area No. 2 will ensure reasonable reclamation.

Area No. 3

Area No. 3 comprises all the land west of the Lillooet river lying north of Miller creek and south of the north fork of Ryan creek. This area includes the district called Pemberton Meadows and is the most thickly settled and best improved area in the valley. The land produced some of the best potatoes and turnips in the district, yields of ten and twelve tons of potatoes per acre and twenty tons of turnips being average crops. The danger of overflow from Lillooet river has always been present, but the good farmer usually was able to gather in his crop as only the higher ground was utilized. Ryan creek runs along the west side of the valley at a higher elevation than the most of the land. Thus we have a strip of land between the Lillooet river and Ryan creek averaging from one-half to three-quarter miles in width, in which the high ground is close to the banks of the river and the creek, and the intervening ground is three to four feet lower than the banks. Of course this is on low ground which under certain conditions becomes flooded.

Of late years the water table has risen due to seepage and overflow from Ryan creek There appears to be very little seepage from Lillooet river as its banks are composed of fine silt closely resembling clay in its appearance. Many of the farmers now find it impossible to grow potatoes on land which formerly gave good crops, and have had to use the land for grazing. This does not give nearly the returns formerly received, as there was and still is a great demand for Pemberton potatoes to be used as certified seed.

Cost per acre: The cost per acre of the land which will be directly benefited by these proposed works, on the basis of $62,115.62 distributed over 2,120 acres is $29.30 per acre. We are confident that the added returns from this land will more than make up this amount.

Area No. 4

This comprises all the land lying north of the north fork of the Ryan creek. This area consists of land which is approximately the same height as the average high water. The grade of Lillooet river is increasing in this area. It has been frequently changing channels. Drainage ditches will help. We think that for the moment this area should not be considered. This is one of the most costly areas. We think that its treatment should be postponed until the experience gained from the river area No. 3 can be used to design the protection for this area.

All the lands in the valley are covered by the proposed agreement between the dominion, the province and the proposed Pemberton valley dyking district. Assuming that the Indian department becomes part of the Pemberton Valley dyking district—this suggestion was made last night; as our part of it is the reserve, it could be—we are informed that there is a total of 30,000 acres in the valley and covered by the agreement: 10,000 acres privately owned lands, 10,000 acres government lands and 10,000 acres Indian lands. We have no detailed break-down as to the occupancy of privately owned lands; neither have we in detail the arable acres of crown lands. The same holds for the Indian lands in the project.

There was a report made, which was known as the McGugan report, dividing the area of the Pemberton valley which will be directly benefited by the proposed works into roughly four portions, the areas of which I have just spoken. These are pretty well covered by what I have just read.

The expenditures which have been made up to date are expenditures made by the federal government. An agreement was drawn up as between the province and the association at Pemberton which has to do with the utilization of the lands afterwards and the maintenance of these lands. A copy of the agreement has just been handed to me. Since that is the question which has been asked directly, I shall deal with it from that point of view. The agreement runs as follows:

His Majesty the King in the right of Canada as represented herein by the Right Honourable James G. Gardiner, Minister of Agriculture for Canada, hereinafter called the Dominion

of the First Part

and

His Majesty the King in the right of the province of British Columbia as represented herein by the Honourable Edward T. Kenney, Minister of Lands and Forests for British Columbia, hereinafter called the Province

of the Second Part

and

Pemberton Valley Dyking District, hereinafter called the district

of the Third Part

[Mr. Gardiner.]

Whereas it is necessary and in the public interest to reclaim an area of fertile agricultural lands in the valley of the Lillooet river in the province of British Columbia and

Whereas these lands were largely settled by returned soldiers after the first world war; and

Whereas these lands are being damaged from seepage silting, stream erosion and periodic flooding from the waters of the Lillooet river and its tributaries and also great damage is being caused in the lower section of the valley by the formation of a barrier in the river between Lillooet and Tenasse lakes, which barrier raises the level of Lillooet lake and thereby causes progressive inundation of some of the best agricultural lands in the valley; and

Whereas these conditions have resulted in the almost complete abandonment of a large area of said lands by the original settlers; and

Whereas the prairie farm rehabilitation branch of the dominion Department of Agriculture has completed surveys of certain areas of the Lillooet river valley to determine what remedial works can be undertaken for the reclamation of the agricultural lands, and the rehabilitation of the settlers now resident, in the section of the Lillooet river valley above indicated; and

Whereas the surveys indicated that these lands can be reclaimed; and

Whereas the remedial measures that can be undertaken are set out in detail in a report signed by D J. McGugan, consulting engineer for the federal Department of Agriculture, dated the 10th day of August, 1945, a copy of which report is hereto attached and marked appendix "A" to this agreement;

Now, therefore, this agreement witnesseth that in consideration of the premises and the agreements hereinafter contained, each with the other, the parties hereto agree as follows:

1. The dominion agrees forthwith with the funds appropriated by parliament in the current fiscal year and with such funds as may be appropriated for the purpose by parliament from time to time hereafter, to undertake the construction of such reclamation works as it may deem feasible and necessary to effect the reclamation of agricultural lands and the rehabilitation of settlers now resident in the section of the Lillooet river valley above indicated;

2. The province agrees to furnish free of cost to the dominion all rights-of-way for canals, dykes, ditches, access roads, and relocation of existing roads, or such other rights-of-way as may be required for the execution of the works, provided such title thereto is now vested in and will remain in the province;

3. The district agrees to make available free of cost to the dominion or province all rights-of-way for canals, dykes, ditches, access roads and relocation of existing roads, or such other rights-of-way as may be required for the execution of the works not provided, as above by the province.

4. The province agrees to improve existing bridges so as to enable the dominion to transport the necessary equipment and machinery to the scene of operations and from place to place during the construction of the work and to improve and condition such provincial roads as may be necessary to transport the necessary equipment and machinery to the scene of operations and from place to place during the construction of the works; so far as the title to said bridges and roads is now vested in the province;

5. The province further agrees to obtain the release of any, and all, timber and mining leases of lands required for or in connection with the execution or construction of the works herein referred to and to make available to the dominion free of all let or hindrance the use of and access to all or any part of the lands so required;

6. The province further agrees to make its crown lands lying in the area referred to in the premises to this agreement available for the re-establishment of returned soldiers and that, to this end it will for an indefinite period reserve such lands from other disposition;

7. The province further agrees to cooperate with the dominion and the district and to provide any necessary legislation, and to make available its administrative machinery, to facilitate the execution of the work herein contemplated and generally to carry out the intent and spirit of this agreement;

8. The district agrees to take over and to assume the control of the said works as soon as notified in writing by the dominion that the said works has been completed; the district further agrees that upon assuming control it will operate the said works efficiently and maintain the whole of the said works in a proper state of repair and in conformity with any statute or any statutory provisions applicable thereto, and agrees to operate and maintain the whole of the said works without expense to or assistance from the dominion;

9. The district agrees to save, defend and keep harmless and to indemnify the dominion of, from and against all claims, charges and actions that may after the signing of this agreement be brought against the dominion by reason of anything the dominion has done or failed to do in the performance of the works undertaken pursuant to this agreement.

10. If any question arises as to the interpretation of this agreement or whether the dominion has performed any of the things by the dominion agreed to be performed, such question shall be decided by the Minister of Agriculture for the dominion, whose decision shall be final and binding upon the parties hereto.

I think it will be agreed that the agreement makes it possible for us to go into the valley and carry on experiments in a place where we can at the same time do a great deal of good, and the results obtained from that experience can be utilized in order to set up other projects elsewhere in the province.

I would say, in answer to the suggestion contained in the question, that it is not the intention of the government to proceed with projects of this kind, with the total cost assumed by the dominion government over large areas. The intention is to use this as an experiment if we can, and utilize it for the purpose of deciding what to do elsewhere and at the same time provide relief to returned men put on the land at the end of the first war.

Mr. FULTON: I was glad to hear the minister speak in defence of this item, as, of course, one would expect him to do. I have a considerable interest in the question myself, and on March 6, I made specific reference in this house to the Pemberton Meadows project. Hon. members will find reference to it at page 1074 of *Hansard,* where I mentioned that an area of several thousand acres could be brought under cultivation, an area which is considered to be one of the most fertile in the province.

As the minister has pointed out, this is designed to help settlers who have been there for many years and have done a great deal of work on the area themselves, and who now find it beyond their resources to cope with the flooding of the land without government assistance. I think it is proper for the dominion government, through the Department of Agriculture, by means of the prairie farm rehabilitation administration, and as an experiment, to go into projects of this kind, because it is not a case of throwing away money. It is not a wild-goose chase, because we know, from the fact that these have been valuable farms in the past, that whatever work may be done there will be of value to the settlers themselves, and give some indication of how this work can be carried on in the future.

The minister pointed out, I believe, that there are 30,000 acres of valuable agricultural land involved in the project, and in that connection I would refer to what the hon. member for New Westminster (Mr. Reid) said last night, as reported at page 4277 of *Hansard.* He said:

> We have to go back to our people and tell them why the dominion government are going to spend nearly half a million dollars in connection with land which some of us think is not worth very much.

I would be the last to suggest that the hon. member does not know the province, because he does. He knows it thoroughly, since he has made a great study of its resources and has spent a good deal of time travelling. But he is not quite accurate in thinking that this land is not worth very much, because all reports, as verified by the minister, indicate that it is some of the finest agricultural land in the province.

I am sorry to hear any member from British Columbia discourage or criticize work that is being done by the prairie farm rehabilitation administration in that province. We have been urging for some time now that the administration should go there in a larger way than they are doing. They are undertaking only scattered surveys and we have been urging that they should go there in a larger way than contemplated in

this particular project on which they are working. I think we should encourage any and all work done by the administration along these lines.

There was one thing to which the minister referred that I should like to emphasize. He said that they undertook a preliminary survey, and I believe the initial outlay was some $10,000, as a result of which they were satisfied that it would be a valuable and paying project to go ahead with the work which is now being undertaken. I would repeat the request that was made last night, that they do the same thing for the whole interior of the province and make a survey. We are not asking them to rush in and spend large sums of money without investigation. We are asking that they send engineers throughout the area to make an investigation along the lines I suggested last night.

Again, with reference to this particular scheme, the hon. member for New Westminster referred to the interest of the Indian affairs branch in the question. As I understand their attitude, they are not opposed to the development, but they rather want their own lands brought under the same work which is being carried on for the white settlers. It is a question whether it will be enlarged rather than a question of their opposing any work at all.

In conclusion, I have no hesitation in supporting this particular item because it is work which will repay the capital outlay. It is work that is being done on behalf of settlers long established there who are unable to carry on without government assistance, and it is work which will enable the settlement, when this land is reclaimed, of a large number of returned soldiers of this war. I think the money involved in this item of $100,000 is something that we should support and encourage rather than criticize.

Mr. REID: There are one or two things that should be said for the purpose of keeping the record straight. First of all, regarding the remarks of the hon. member for Kamloops, I am grateful to him for bringing to my attention what I said last night. It is true I did make the remark which he quoted, but I am frank to say that it was made after eleven o'clock and a little in haste. I did say at the time that the land was of little value. That is on record but it is somewhat of an exaggeration. I am willing to admit that tonight. I am not objecting to this item. My principal reason in rising last evening on this item was to put my position before the committee. To my way of thinking, there is more fertile land in danger in the lower Fraser valley and elsewhere, but every time we approach the government we are turned down and can get no such assistance. When we see an item for $500,000 to be expended, naturally we want to know how it comes about that the dominion government can make such an expenditure and yet, when we want relief and some assistance, we are told that it is not a dominion matter, and that we have to wait until the P.F.R.A. is passed. We are curious to know how this item without P.F.R.A. being passed could pass the financial council of the government.

I want also to put on the record certain facts because the minister made a statement intended to correct me in regard to the figures I gave last night about the $131 an acre. I have the documents before me. There are three areas. The first will cost $355,456, which works out at $131.50 an acre. The minister rather suggested to the committee that this $131.50 had to be spread over the three areas. Well, there is a total in the three projects of 6,826 acres and as the total expenditure is $473,785 in areas 1, 2 and 3, dividing that, the average is around $80 an acre.

Mr. GARDINER: The minister did not say anything. The minister read the report which my hon. friend says he has before him. The report says that.

Mr. REID: Let us look at the report and be clear about it because I do not want the minister to get away with that and to suggest that I am quoting figures which are wrong. For area No. 1 the report gives 2,706 acres. The total expenditure is $355,756.50, and the cost per acre is $131.50. In area No. 2 the report gives the total cost as $55,913, and then at the bottom of the page gives the cost per acre as $27.96. Then we go on to area No. 3 where the total cost is given as $62,115.62, and the cost per acre as $29.30, as the minister has said. I do not know what it is going to cost per acre over the whole district, but if you take each of the areas—area No. 1 costing $131.50 per acre and areas No. 2 and No. 3 costing the amounts I have just quoted—and lump them altogether, as the minister, I think, said we should have done, it works out at $80 per acre as the average. That is the record. Is it any wonder I criticize when we in the Fraser valley at the moment are faced with the loss of hundreds of farms? We are losing the fight with the Fraser river. Two or three thousand farmers do not know whether or not their farms will be washed away, the river rose so many inches today. It is different from the Ottawa river. It rises when the heat strikes the interior and the snows begin to melt. The farmers have worked hard. The last danger we had there

was in 1936. The farmers are taxed to the limit to keep the Fraser river within bounds. That is one of the most fertile areas in British Columbia, notwithstanding the statement made about Pemberton Meadows. Then when we are asking for relief and come here for it we are told we have to get prairie farm rehabilitation. If that is the case, how does the government come to be spending half a million dollars up in Pemberton Meadows? I leave the answer to the committee.

Mr. GREEN: I hesitate to venture into a discussion on an agricultural item, but it happens that I go up through this district every summer. There is no doubt that the money voted is being well spent and there is great need there. As the Minister of Agriculture has said, the land is fertile and the settlers themselves have gone to great trouble and expense to try to solve their own problem. They have convinced both the dominion and provincial governments that something should be done. I believe the minister will agree with me that the provincial government have been in there too, have made surveys and are entirely convinced that this work should be proceeded with. I know the former member for Cariboo, who is now Hon. J. G. Turgeon, took a great interest in this work and I suppose he had a good deal to do with getting it started.

Mr. REID: I think he did.

Mr. GREEN: I do not think anything should be said in this house which would prejudice the work being carried through to a successful conclusion. We should like to support the hon. member for New Westminster in his request. I do not know, but perhaps he has been a little bit slow in making that request to the government. I know a good deal of money has been spent in his riding, in dredging and in other ways, none of which we begrudge him. But certainly it is not right that any British Columbia member should take the position that this particular vote should be cut out.

Mr. REID: Nobody has suggested that.

Mr. GREEN: It is necessary work, and I am glad the Minister of Agriculture has decided to go ahead with it. I can assure him that he will have our support.

Mr. IRVINE: I have listened with a good deal of interest to the remarks made by hon. gentlemen on both sides of the house in regard to this item. It has to do with an area which happens to be in the southern part of the Cariboo riding and I know it very well. I want to commend the minister for the vote and to assure the committee that the work being done there is essential and that the land is undoubtedly fertile. The government is to be commended for its efforts in this regard. I have no doubt that the hon. member for New Westminster has a legitimate protest with regard to certain parts of the country to which he has referred, but I do not think we shall get anywhere by setting one against the other. I think both these projects should be undertaken. Perhaps when the project to cope with the Fraser river which my hon. friend refers to is undertaken and when it is worked out to so much per acre, he may find that the figure is quite as high as the figures he has just been giving the committee with respect to Pemberton Meadows. I do not wish to do any more than merely assure the committee that the work is well worth doing. Now that it has been started, I hope it will be carried through to a conclusion. Can the minister tell us just how far the project has been carried to date, how much has been spent so far on it, how much more will be required to complete it, and when he thinks it will be completed?

Mr. GARDINER: We spent $48,000 last year, and at the present time we are busily engaged in spending more money. However, until this vote is through we are not able to proceed as rapidly as is wished.

Mr. WHITE (Middlesex East): This spring when the Thames valley authority had a meeting in London, there was considerable disappointment over the announcement here that prairie farm rehabilitation would not be extended beyond the three western provinces. Ontario farmers have seen considerable amounts of money spent in the west, and when I noticed this item being spent in British Columbia on river control I was a little bit alarmed about it. I understand the explanation given by the minister. On the other hand, I believe the government did not deny the fact that if a project were undertaken there, they would be prepared to help. I should like to know just what position we are in, in that regard. Some have said that the fact that prairie farm rehabilitation was not being extended did not mean that help would not be extended to that valley if and when the project was undertaken. I should like to have a statement from the minister regarding that.

Mr. GARDINER: The works which were undertaken on the Grand river in Ontario, in so far as the dominion had anything to do with them, were undertaken by the Department of Public Works just as the works on the Fraser river in British Columbia have always been undertaken by the Department of

Public Works. Similar projects all over Canada have been undertaken under votes provided for public works. If there is any work of that kind to be done in Ontario it will come up under the public works vote here rather than under agriculture.

Item agreed to.

Special—
37. Agricultural research special projects, $100,000.

Mr. WRIGHT: This item shows a decrease this year of $100,000. What special projects are being carried on and are any of them being dropped?

Mr. GARDINER: No, none are being dropped. The special projects being carried on are projects such as that at Portage la Prairie having to do with flax; there is one at Morden, and I think one at Lethbridge, and there may be some other smaller undertakings. Those have been established, and it was not anticipated that this year we would spend more than $100,000. As a matter of fact, while the item has been $200,000, we have not spent that much in past years, and we think $100,000 will cover all we shall be able to accomplish this year.

Item agreed to.

Mr. GARDINER: There are some special items attached to my estimates, on the inside of the first page; I am not sure whether or not the Chair has them. The first is item 609, for the Agricultural Products Act, and the next is item 610.

The DEPUTY CHAIRMAN: I have supplementary estimates 609 and 610.

Mr. GARDINER: Are those ready for passing?

The DEPUTY CHAIRMAN: I imagine they have been passed; they have been signed.

Mr. BROOKS: I do not think hon. members have those items.

Mr. BENTLEY: Yes; we have had them for a long time.

Mr. GARDINER: They were passed around, and I think were on the desks for a long time. As far as I am concerned, there is no objection to leaving them until the other supplementaries are being considered, if hon. members desire to do so. I might explain, however, that one is for the necessary expenditures under the Agricultural Products Act, which we passed a few days ago, and for which we have to supply funds. The amount is $100,000. The next item is to authorize and provide for payment of subsidies on oats and barley used as feed for live stock under such regulations as may be approved by the governor in council. These are the subsidies being paid down to August 1, which many hon. members are suggesting we should continue beyond that date. Those are the two items. I think they must have been carried.

The DEPUTY CHAIRMAN: Those two items have been carried and signed by the chairman.

Mr. GARDINER: Then that is all right; we will not start another discussion.

Demobilization and Reconversion—
485. Agricultural Prices Support Act, 1944 (formerly the agricultural food board), $2,030,500.

Mr. McCULLOUGH (Assiniboia): There is an item which I think comes under this vote, which concerns me. I refer to what I consider a rather shortsighted policy on the part of the government in regard to barley. I might just indicate that in 1943 we exported to the United States 35,800,000 bushels of barley, and in 1944 we exported 35,400,000 bushels.

Mr. GARDINER: Which item are you on?

Mr. McCULLOUGH (Assiniboia): I am on item 485. I want to indicate the price for barley, in relation to the government's policy.

Mr. GARDINER: That is not under the Agricultural Prices Support Act. That is the act which sets a floor under prices.

Mr. McCULLOUGH (Assiniboia): But we set a floor and ceiling for barley. My understanding is that we have a floor of ninety cents under barley.

Mr. GARDINER: We are not utilizing any funds from this vote for that purpose. Those funds come under the item I was just talking about, No. 610, which I now recall was passed just after the legislation went through.

Item agreed to.

Demobilization and Reconversion—
491. Dairy products board, $19,546.

Mr. DROPE: The minister said that under this item he would make a statement concerning the cheese contracts. I should like to hear that statement.

Mr. GARDINER: The dairy products board was set up during the war for the purpose of entering into contracts and providing cheese for Britain. Since then, it has been continued as the body under which these contracts which have been negotiated are carried out. I think

the question in the hon. gentleman's mind is how we are to proceed now, whether we are to requisition cheese or whether we are buying on the market. The position at present is that we are buying on the market. The price we offer is twenty-five cents. For the time being I think the price being bid is 26 1-16 cents, which I believe would mean that, while that price is being offered, the board will not get cheese. The facts are that about thirty per cent of the cheese is consumed in Canada and about seventy per cent goes to Britain. That is approximately true every year; and since we do not intend to take all the cheese this year, as we did for two years during the war, we have not considered it necessary to requisition cheese. We say we will buy cheese at twenty-five cents, which in all probability will mean that, after Canadian supplies are obtained, cheese will sell at around twenty-five cents. I quite understand that the hon. member might say this will probably have the same result as though we requisitioned the cheese, except for the thirty per cent for Canadian consumption. That is the plan under which we are proceeding, and under which we hope to be successful in obtaining about seventy per cent of the Canadian cheese production.

Item agreed to.

Demobilization and Reconversion—

492. Meat board, including quality premiums on A and B1 grade hog carcasses, $5,657,818.

Mr. CHARLTON: I see an increase of $489,019 in this item. From all reports, and according to government statistics, the production of bacon hogs has gone down this year. Would the minister give the explanation for that increase.

Mr. GARDINER: I have a statement showing the position in regard to hogs marketed in Canada, comparing 1947 with 1946 and 1945. If hon. members so desire I can place this table on *Hansard*.

Some hon. MEMBERS: Agreed.

Mr. GARDINER: The table is as follows:

	Hog Marketings			Percentage Increase-Decrease
	1945	1946	1947	1946-47
Canada				
January	830,274	514,318	400,032	−22·2
February	582,330	395,215	305,660	−22·7
March	553,602	411,624	345,012	−16·2
April	538,089	397,784	396,593	− 0·3
May	558,227	449,594	486,322	+ 8·2
Total	3,062,522	2,168,535	1,933,619	−10·8
Prairie Provinces				
January	657,591	314,943	203,907	−35·3
February	361,354	214,159	129,612	−39·5
March	319,404	201,422	126,745	−37·1
April	303,159	193,774	135,366	−30·2
May	322,685	220,127	174,970	−20·5
Total	1,964,193	1,144,425	770,600	−32·7
Ontario				
January	179,577	151,681	151,084	−
February	150,294	126,817	125,304	− 1·2
March	158,256	147,091	146,984	− 0·1
April	164,464	152,829	192,660	+26·0
May	186,027	182,790	242,375	+32·6
Total	838,618	761,208	858,407	+12·8
Quebec				
January	52,495	37,805	39,230	+ 3·8
February	57,856	45,582	44,381	− 2·6
March	59,485	50,695	61,130	+20·6
April	51,375	39,287	55,761	+41·0
May	33,132	31,780	55,012	+73·4
Total	254,343	205,149	255,514	+24·5

In reference to the table which has been placed on the record, it will be noted that in respect of the hog marketings for Canada we reached a low point in February, 1947, as compared with the same month for 1946. The percentage of decrease was reduced to 16·2 per cent in March, and then in April it reached a point where it was approximately the same as last year. Then, in May of 1947 we have come up 8·2 per cent above the figure for 1946.

In respect of the figures for the provinces it will be noted that in Ontario we started out in January of 1947 with a small loss, and in February we had a loss of 1·2 per cent. In March, it will be noted the loss was only 0·1 per cent, and in April there was a gain of 26 per cent. Again in May the gain amounts to 32·6 per cent. So that in Ontario it is climbing fast.

However, the big improvement is seen in the figures given for Quebec. In January of this year we were up 3·8 per cent. In February it went down to the extent of 2·6 per cent, but in March it was up 20·6 per cent; in April, 41 per cent, and in May it was up 73·4 per cent. I give these figures to indicate that in our opinion the low point in the decrease in hog marketing has been passed. The figures show that during the first five months of this year Quebec has accomplished what the farmers there were asked to accomplish at the conference held last December. We asked them to produce in 1948 as many hogs as they had produced in 1945. They are now ahead of that programme. They have produced more hogs in the first five months of 1947 than they did in the first five months of 1945.

It will be noted from these figures that Ontario has accomplished the same thing. They are really a year ahead of the programme as it was set last December. Up to date our difficulty has been in the west. The figures show that in the three western provinces there was a decrease of 35·3 per cent in January, and 39·5 per cent in February. But, just as happened in the other provinces, the change came in March, when the decrease was reduced to 37·1 per cent, to 30·2 per cent in April and to 20·5 per cent in May. While our figure is still a long way below the 1945 figure, so far as the production of hogs is concerned, it will be noted that the production is on the increase. We are estimating that by August or September of this year we shall be producing in western Canada as many hogs as we produced in 1946. And we are hoping that, even in the western part of Canada, we shall overtake the programme set out in December and, by 1948, get our production up to the 1945 level.

Mr. CHARLTON: I hope it is not wishful thinking on the part of the minister. As a matter of fact the statistics show that the over-all drop throughout Canada is a little more than ten per cent in respect of hog production. All hon. members know what is happening in the west. Early this spring both in the west and here in the east sows have been going to the slaughter-houses by hundreds, and the prices on little pigs have dropped by over fifty per cent in the eastern provinces in the last month. Little pigs are now being offered, and cannot be sold.

The minister thinks that by August the increase will come up to the 1946 figure. I venture to say that might take place, because so many pigs are reaching the slaughter-houses before they are ready, on account of the shortage of feed. Sows have gone, and pigs light in weight are being offered. If the minister will look into the grades he will find that within the next two months they will be light in weight. The minister considers that he will need half a million dollars more this year for grade A and B1 premiums than he needed last year. I think it will be just the other way around.

Mr. GARDINER: Would the hon. member like to cut it down to that and place the producers in the position in which someone said the cheese producers were placed?

Mr. CHARLTON: I did not say that.

Mr. GARDINER: It was one of the members from that corner of the house.

Mr. CHARLTON: I venture to say the minister would admit that if the amount were cut down it would have to be made up, regardless of where the figure was. This is a contract made by the government with respect to grade A and B carcasses, and the money has to come from somewhere, whether it is in the estimates or not.

Mr. GARDINER: If it was not there we would have to ask them to go without it to the end of the year.

Mr. CHARLTON: Well, that is characteristic, anyway. But we can say that the amount of bacon which has been sent to the United Kingdom has been less so far this year than it was in 1945 and 1946.

I should like to refer to the way in which our bacon is marketed in England. I understand on good authority that our bacon is

still being marketed there by interests who have more interest in Danish bacon than they have in Canadian bacon. If that is true—and I believe it is—it is a serious state of affairs. The minister said the other night that at the present time we are not allowed to advertise any Canadian products in England. My only comment on that is that in the main we are giving Great Britain products at a fairly good price; that is, a price reduced as compared with world prices. But if we are not given some consideration for that, then I believe the Canadian producer should have some preference over foreign producers in the English market.

I would ask the minister to make a statement with regard to the commission houses which are dealing in our Canadian bacon and selling it, and to state whether the people who have an interest in Danish bacon are also dealing in our bacon.

Mr. GARDINER: There are no commission houses selling bacon in Great Britain at the present time. The commission houses which were doing business before the war did handle both Danish and Canadian bacon. The prices were determined by a board which sat at the beginning of each week and determined what the prices were on bacon coming from Denmark, Canada and elsewhere. But that was all discontinued during the war. There are people who say—and probably they are correct—that the same persons are making this distribution under the instructions of the food ministry, and there is, of course, the suggestion that if that condition continues until they get back to the natural system of marketing again there would be a preference shown probably for Danish bacon.

But the thing that is promoting Danish bacon to a much greater extent is what Canadians are doing themselves. If any member of this house were to go into Eaton's or Simpson's or any other of the larger stores tomorrow and order a parcel to be put up for delivery in Britain the parcel would in all probability be put up in Denmark and Danish bacon would be sent to Great Britain, paid for by a Canadian. That, of course, is one method of getting around the British regulation which says that you cannot advertise. We feel that the British are doing just what we ourselves would do under similar circumstances. The British have a situation where they are not able to feed their people as their people want to be fed and they must ration most of the food they are distributing. So the British authorities say: If we must distribute the food and tell our people this is what you have to take, we cannot at the same time permit others outside Great Britain to come in here and advertise urging our people to buy Canadian bacon instead of Danish or Danish bacon instead of Canadian; our people will have to take what we have to distribute to them. That is, I think, the only way in which the government can keep itself out of some difficulty, and this government or any other government would do the same thing under similar circumstances. That is what the British are doing. But we are helping the Danish to get around that when we walk into our stores and, instead of putting up a parcel ourselves and sending it to Britain, order and pay for a parcel to be made up in Denmark and sent to Britain from there. In almost any daily paper in Canada you will see advertisements of the products that can be sent to Britain from Denmark. I submit that if our Canadians assist in that advertising programme they are not helping Canada.

Mr. CHARLTON: Was that practice not started because of the postal restrictions imposed by the government here?

Mr. GARDINER: No; that movement started just as soon as the German troops were out of Denmark. We have had it stopped once or twice but it started up again. There is no way in which we can legally stop it.

Mr. CHARLTON: There were restrictions all during the war and since on the kind of food we can send to Britain.

Mr. WRIGHT: How do they get Canadian funds into Denmark to purchase this food?

Mr. GARDINER: I am not going to explain that. I had too much difficulty on the continent in getting money exchanged to try to explain how it is done. But they get paid for what they send.

Mr. WRIGHT: Surely there is some way to stop it. We have a foreign exchange control board with control over Canadian funds that are going abroad to be used abroad. Surely we are not going to lend the money to Denmark through some department of our government to enable them to carry on advertising against ourselves?

Mr. GARDINER: We have tried to stop it and will continue to try, but we have not succeeded up to date.

Mr. BRYCE: I do not want to get into any argument about bacon. But I agree with the minister that this time he is right. I said once before in the house that I had been over there, and I am going to repeat what I said then, that the best bacon going to Britain today is Canadian. It is ahead of even the Danish product. I sympathize with my hon.

friend in our not being able to advertise over there. The only advertisement we have is when a British housewife gets good bacon and says, "That is the best we ever had," and I would always assure her that it was Canadian bacon she had that morning. Bacon that goes out in sliced form, no matter how you may advertise it, loses its identity when it gets there. I would be very sorry if this country, both east and west, fell down in bacon production, because we have a wonderful market in Britain. The people there want our bacon, and I hope we shall be able to maintain that market.

At page 102 of the estimates two bacon specialists are listed. What are their duties? Are they for the use of the meat board, or have they other functions?

Mr. GARDINER: They are two inspectors, Doctor Miller and Major Leighton. Doctor Miller is on this side inspecting the bacon as it is loaded on the ship, and the other inspector inspects the bacon when it is landed in Britain. The condition of the bacon is reported on from each end, when it is shipped and when it is landed, to see if it is in good condition.

Mr. BRYCE: There are six stockyard agents employed. Is there any liaison between these agents and the meat board?

Mr. GARDINER: Their task is concerned with administration in the stockyards.

Mr. BRYCE: For the meat board?

Mr. GARDINER: For the department.

Mr. BRYCE: They have nothing to do with the meat board?

Mr. GARDINER: No.

Mr. BRYCE: I should like to ask a question as to the meat board protecting the farmer's produce. Some time ago the meat board announced that they would buy all the lambs at one-quarter of a cent less than the ceiling or the floor price, whichever you call it, and that was supposed to help the farmer. But it did not really help the farmer anyway, because the farmer sent his lambs to the stockyard or to the abattoir, and they paid just what they liked in a competitive market. It was only after the lambs were in the hands of the packing companies that that price came into operation. You have the same situation in regard to a carload of steers. I know what the minister's answer will be before he gives it, because he is going to say there are times when the farmer gets more than he is entitled to; but over a number of years I know that the farmer is always on the wrong side of the deal. If the packer pays more for something in one month or two months of the year, in the other ten months he pays less than he should. I wish to know if the minister has altered the policy of the meat board to give the farmer better protection than he has had in the past. I think the meat board is good, but it is only after the carcass is hung up by the heels that the price is considered. Something should be done on a hoof basis. They do it in other countries. I have seen it done in other countries. They bring the animal in and grade it, and when they hang it up by the heels there is not much difference in the grading. As it is today, the meat board is more help to the packing industry than to the farmer. Will the minister give me some information on it? The way it is done is not right.

Mr. GARDINER: I think the hon. member knows as much about the transactions on the Winnipeg market as anyone; he has always been close to it and has had considerable to do with trading on it. He will agree that we have never had, up until the time we established the meat board, the same stability in prices over the years as we have had since the establishment of that board. Prior to the establishment of the meat board, our prices were quite high in July as a rule. It is true that they still go up to some extent in July, as do other markets, but only slightly when compared with what they did prior to the operations of the meat board. In the fall of the year when stock was coming off the pastures, and when farmers were getting a little anxious to get their hogs on the market because the cold weather was coming, the market went down. In many years there was no limit to where it went. Then again we had difficulties when we started to put the finished cattle on the market in the spring of the year. For two or three years, and maybe three or four years after the bacon board, which eventually became the meat board, came into existence, there was a tendency on the part of everyone to say that we ought to provide a high price in July because it cost more to feed hogs through the winter, to have them carried through the winter and delivered in June and July; and that we ought to provide for the price going down in the fall just as it did when the market was following the natural rules of supply and demand. We tried that for one year at the beginning of the war. We did not set seasonal prices, and we found out that on hogs it simply resulted in approaching what had always happened; when you had a volume your price went away down and when you did not have a volume your price went away up.

No one can gain by that method of marketing excepting the packer. He had the means of storing meat in cold storage from one period to another and he could benefit greatly by it. There was only one group of people in Canada who might have had any reason for saying that we should continue that, and they did. We did not continue it. We tried to establish a flat floor price at least for hogs and finally for cattle. It took us two years longer to persuade the cattle producers to agree that it ought to be done with cattle; but finally we were able to persuade them to agree to a fair price over the year, so that the farmer could get just about as high a return when he had a big volume to put on the market as he could get when he had a small volume to put on. We think it is beneficial to the farmer to stabilize the price over the whole year. We think, too, that it is a good thing for the farmer to extend that stabilization over two or three years. For that reason we have expanded these contracts from one year contracts into two and finally into three-year contracts in order to be sure that the price can be maintained above the floor over a longer period, or stabilized over a longer period. That is what the board is attempting to do and we think they have done it successfully. There have been very few times when the price has been below what would be the established floor. I think if you examine the records—I have them in front of me for anyone who shakes his head about it; I will read them if you wish—you will find that prices have remained almost at the same level for months back.

Mr. BRYCE: Has the minister any policy which will permit the meat board to buy these animals and kill them?

Mr. GARDINER: Yes.

Mr. BRYCE: The minister has that?

Mr. GARDINER: We bid on hogs, for example, and we have not had any serious difficulty about it. The hogs all go to some forty odd plants which are government inspected; that is, all the hogs on which we pay a premium, and these are the hogs that we desire to get for overseas shipment. Practically all of them go to some forty odd plants. It is a simple thing to go to forty odd plants, provided that you have authority behind what you are doing, as we had under the War Measures Act and now have under the legislation which was passed this session. It is a simple thing to say to one of these plants, you must do what the others are doing, or to two or three plants, you must do what the others are doing. If we can say that, we find we have no difficulty at all in getting the plants to cooperate in putting on to the domestic market what is required here, and putting on the British market the surplus. All of them are doing it in about the same proportion. Under that plan we have been able to get the hogs; but when it came to the cattle the situation was somewhat different. We had strong pressure, as I said, from producers, and more particularly from the larger producers, to set a price which was two cents lower in the fall than it was in the spring in order that cattle could be taken in and fed with the margin to begin with. We argued against that for about two years and finally got them, not exactly to agree, but to consent to trying out the other plan, which is working now. Here is how it operates, as the hon. member said a few moments ago. On the higher carcasses of beef we say we are prepared to buy every day at a certain price, which is only one-quarter of a cent below the ceiling. We are prepared to buy any time at a quarter of a cent below the ceiling all red and blue beef and send it to Britain. If the beef drops a quarter of a cent below the ceiling we get the beef that comes on the market during that period.

Mr. BRYCE: You buy only on a dead meat basis.

Mr. GARDINER: We are buying on a dead meat basis; that is the only place we can buy meat.

Mr. BRYCE: You could buy meat on the hoof if you wished to.

Mr. GARDINER: We could buy meat on the hoof, but I think it would be agreed that under the plan we are following beef is selling on the hoof at a higher level than it ever sold before.

Mr. BRYCE: It is never sold too high in the beef line.

Mr. GARDINER: That is the argument, and I wish to correct what my hon. friend said a few moments ago. He said that the answer I was apt to give was that the farmer was getting all he was entitled to, anyway. I am a farmer. I never think that the farmer is getting all that he is entitled to. I think he ought to get more all the time.

Mr. BRYCE: I do not want to take up any more time. There is one thing the minister did not explain, namely, why we tried this two-cent scheme. I was one of the men on one of these boards when this two-cent system was tried out. We ran up against this. In a country so large as Canada there are many

types of farmers. There is the eastern farmer and the western farmer. You can feed steers in the west and sell them and find that the eastern farmer will buy them for as much as the packer will pay for them and then feed them on the grass farms in Ontario. The minister said that the westerner was offered the two cents more. You run up against a different type of farm in the east. They want to buy the steers cheap in the spring to put on these grass farms. There was a conflict of opinion.

Mr. GARDINER: The feeder who wanted to feed grain wanted to buy as cheap as he could in the fall so that he could sell at a profit in the spring. We have pretty well overcome both these things.

Mr. WRIGHT: There is no provision whereby a cooperative or an individual, if not satisfied with the bids on the open market for a carload of beef which they have for sale, can have it slaughtered and sold direct to the meat board at the meat board price. Is there any provision for that?

Mr. GARDINER: There is no provision for it. If the cooperative is prepared to deliver beef to the meat board at a quarter of a cent below the ceiling, I will guarantee that the meat board will take every pound as fast as it can be sent in. That is what we are trying to do. Right now we cannot buy any.

Mr. WRIGHT: But the cooperatives have no packing plants.

Mr. GARDINER: There are custom slaughterers over the country who would slaughter it for them.

Mr. CHARLTON: The minister said that there was little fluctuation in the price of hogs since the meat board has been in operation, and he has also said that he has the prices before him. Will he quote the prices for last November, December, January and February on the Toronto market?

Mr. GARDINER: I am not quite sure that I can find the market the hon. member wants. Does he want hogs or beef?

Mr. CHARLTON: Hogs on the Toronto market, or Montreal.

Mr. GARDINER: This is the monthly price of bacon hogs B1 live weight at Toronto in dollars per hundredweight: November, 1946, $15.13; December, $15.60; January, 1947, $16.28, February, $16.04 and March, $16.04. It will be remembered that in January we raised the price one cent and a fraction, just about the difference you have there, but the price right through starting in June was $15.62, $15.68, $14.90, $15.13, $15.60 and so on, the average being $14.89 for the year 1946.

Mr. CHARLTON: It is not necessary for the minister to give all that.

Mr. GARDINER: Not to prove your point, perhaps, but it is necessary to prove my own point.

Mr. CHARLTON: These prices do not coincide with the prices in Toronto, because the prices in November, December, January and February ranged from $22 to a possible low of $18.

Mr. GARDINER: These are official figures reduced to live hog basis for purposes of comparison with years before rail grading. I cannot tell you what some fellow went in and bought a hog for on a certain date. These are the official records taken on that market each day and averaged for the month.

Mr. CHARLTON: Those were probably weekly averages, but they ran from $22 to a low of around $18 in less than two months.

Mr. CASTLEDEN: Has the minister taken into consideration the recommendations made by certain organizations in the west with regard to assisting in increasing hog production? There is no doubt that today the world needs hogs as badly perhaps as it did in 1944. If the farmer is to go through the work of growing barley and oats and raising hogs, staying with them day after day, particularly during the winter months so as to maintain production, and then finds at the end of that time that the amount of money he gets for his hogs as a result of doing all that laborious work in the winter is taken up in income tax, he will decide that it is not worth while. Has the minister taken into consideration the question of trying out for a period the granting of an immunity in respect of $400 or $500 of the farmer's first money received for hog production? It would not mean that hog production would be exempt from income tax. It would mean the difference between what the farmer would get for selling the coarse grain and the price he would get for marketing grain in the form of hogs. It has been represented that if this were tried out the minister would find a great increase in hog production in the west.

Mr. GARDINER: In reply to that, I may say that the advertisement I am about to read gives what the farmer himself thinks about the matter. This is an advertisement put out by a cooperative in Alberta:

An appeal to the farmers of Canada and North America.

Grow another hog for Britain. Forward, Canadian farmers.

Join the live stock march to greater economic prosperity. Britain is hungry. Britain will pay. Britain can pay, Britain has paid. This is not another charity campaign. Today prosperity is a pig! Never before have cash returns been greater for Canadian hog raisers. Never before has the overseas market promised greater permanence. One million extra hogs are needed from Canada to complete this year's contract with Great Britain. Many million more will be required. The "pig bank" will never again be a novelty. Launching the "Grow another hog for Britain" campaign opening in Edmonton, Alberta, April 29, 1947. Special broadcasts carried at Edmonton, Calgary, Lethbridge and Grande Prairie on the ALC show, 12.15 noon daylight time. Why be content with income from grain alone when 25 per cent additional can be made from hogs? This campaign is sponsored by the Alberta Live Stock Cooperative Limited, Edmonton and Calgary. Copies of this announcement will be forwarded to British ministry of food, London, England.

That is one of the advertisements.

Mr. McIVOR: It is a Liberal ad.

Mr. CASTLEDEN: We will all support that.

Mr. GARDINER: But that is not what my hon. friend was just saying. He is repeating the old story that if you gave somebody the right to produce without paying income tax we would get more hogs. There are 138,000 farmers in Saskatchewan and only 7,958 of them paid income tax in the highest year of payment, which was last year, so that there are 130,000, or more than 130,000, who do not pay income tax. How will you get them to produce more hogs by deducting something from their income tax when they are not paying any? These farmers were not within $300 of the tax-free income that they will have this year, because the exemption was only $1,200 and now it is $1,500 for a married couple. Therefore they have to make another $300 in addition to what they made last year to get into the brackets at all.

The kind of campaign we want is the kind put on in Alberta with the support of the Alberta government and of the farmers and of this government. The thing for the farmers to do is to get into the income tax brackets instead of staying out of them. If every farmer were to produce what would enable him to get into the income tax brackets we would get our proportion of income in this country, and the sooner they get into those brackets the better for them. The government should not do anything to encourage them to stay out because they are not as well off when they are out. Let them get into the income brackets and it will be better for everyone, but particularly for the farmer.

Mr. CASTLEDEN: They are not raising the hogs, though.

Mr. GARDINER: We have brought them in from one per cent up to 3·7 per cent. We are getting along slowly, but we are getting along.

Mr. CASTLEDEN: When will we be up to the 1944 production?

The DEPUTY CHAIRMAN: Order.

Mr. McLURE: When the minister was giving the figures for the production of the various provinces, probably he had the figures before him with reference to Prince Edward Island as to whether there was an increase or a decrease.

Mr. GARDINER: I am sorry, but in the sheet which I had—and I can find it here if it is desired that I should do so—it just gave the eastern part and the western part without dividing it into provinces.

Mr. McLURE: I was going to say that the farmers in Prince Edward Island are taking a great interest in breeding a select class of hogs. Today they have an outstanding class of Yorkshires, so much so that they could sell practically fifty per cent of their hogs to the other provinces for breeding purposes. For instance, only within the last two or three months they have shipped to Manitoba a carload or two of breeding stock. Buyers from Saskatchewan and Alberta are there now, but there is only one snag with reference to the selling of our breeding stock that is of a good quality. When those hogs are slaughtered, over sixty per cent of them are in the class A premium class. The demand for this stock is great. As I said, we have one snag, namely, the long freight haul from Prince Edward Island to Saskatchewan and Alberta. Will the minister take this as a suggestion, and consider giving an allowance on their freight rate to purchasers of this valuable stock which can be bought in Prince Edward Island?

Mr. GARDINER: At present purebred stock gets a freight rate of one-half. That is arranged for purebred stock all over the country. I want to agree with everything that has been said by the hon. member. Prince Edward Island stands right at the top in the production of quality hogs. Their hogs are being utilized all across Canada to improve our hog population. I do not think anyone can say too much by way of eulogizing the effort which is being made there.

Mr. CHARLTON: I realize, of course, that there is a great variation in the number of days it takes a vessel to get across the

ocean. Can the minister give us, on the average, how many days it takes for the average cargo of bacon to go from Montreal to England? Can he also tell us how long it is held in storage in England before it goes out to the consumer?

Mr. GARDINER: It takes about eight days for the fastest boats that are carrying bacon across the ocean to make the trip. They are making it in about eight days. It is sometimes a little less than that and sometimes a little more, but it averages about that.

As to the matter of carrying the bacon in Britain, it is true that a few months ago—I would say a year ago—we had some difficulty in that there was a tendency to deliver in Britain freshly delivered bacon from Denmark. But there was an understanding entered into whereby the British bought only the heavy cured bacon from Denmark, the same as they were buying from Canada, in order that they could keep both Danish and Canadian bacon in storage for the same length of time. However, that difficulty is gradually disappearing; in fact, it has pretty much disappeared now. Britain is compelled at present to deliver to distributors over Britain practically all the bacon she gets as she gets it. That is partly because she is not getting as much from us as she got before and is not able to pile up storage that she utilizes in her rationing from time to time. I should also say that their transportation facilities have improved and their storage facilities are improving too.

Mr. CHARLTON: Having regard to the way in which Canadian bacon was marketed in Britain prior to the war and in view of the fact that in the near future we hope we can get back to the ordinary system of marketing our bacon in Britain, can the minister give us any idea as to this government's policy regarding the building of storages in England and the handling of Canadian bacon in the old country?

Mr. GARDINER: Both we and the British government would be tickled to death if we could get enough bacon to be able to store any. We cannot get it fast enough even to keep the rationing up to the level at which it ought to be kept. As a matter of fact, it has to be rationed very low by Britain. There is not any possibility of building up any storage at the present time, either on this side or on the other side.

Mr. CHARLTON: Is the government going to wait until the last minute to think about it?

Mr. GARDINER: We have been thinking about it during the twelve years I have been here, and we did a considerable amount about it before the war. We did a good deal about it in the first year of the war when Britain did not really want our bacon at all. We stirred them up to the extent of being able to sell them some fifty million pounds more than they wanted to take, in the second year of the war. But since that time they have been wanting far more than we can give them.

Mr. CHARLTON: Was it rented storage that was used or were there Canadian facilities?

Mr. GARDINER: The storage we used in the early part of the war was blown all to pieces in 1940. It was not there at all, and it has to be reestablished.

Mr. CHARLTON: Was that storage Canadian owned?

Mr. GARDINER: Smithfield market was bombed. The storages along the Thames were completely destroyed during the first big raid that was made by the German air force. Those facilities have not yet all been put back, but they will be in due course.

Mr. CHARLTON: Was that a Canadian-owned building which was destroyed, or Canadian-owned storage?

Mr. GARDINER: No. Canadians did not own any storage. But it does not make much difference who owns it, as long as it can be utilized to full capacity. I did not know that my hon. friend was a socialist.

Item agreed to.

Demobilization and Reconversion—

493. Special products board, $84,831.

Mr. BROOKS: I wish to ask a sort of general question which applies to most of these items. As will be noticed, there is a big decrease in this item. There is a reduction from $280,279 to $84,831. I wanted to ask the minister about the staffs of these various boards. I notice that in the agricultural prices support board there was a reduction from $53,000,000 to $2,000,000; in the dairy products board, there was a reduction from $2,000,000 to $19,546. If you turn to page 266 of the estimates under "special products board," for instance, temporary assistance is mentioned. I presume that is staff which has been operating this board since it was set up. Is that correct?

Mr. GARDINER: They are just secretaries and stenographers that are there.

Mr. BROOKS: The secretaries and stenographers in 1946-47 were paid salaries of $38,985; in 1947-48 they are to be paid salaries

of $43,161 when there is evidently little work for them to do. The same applies with reference to the prices board and most of these other boards. Temporary assistance in the agricultural prices support board for 1946-47 was $18,460, and for 1947-48 it is $18,075. I should like an explanation from the minister. If the work of these boards is practically completed, as would seem to be indicated by the amount of money being expended, why is it necessary to maintain these staffs and pay them the same or larger salaries?

Mr. GARDINER: We are not paying them any salaries under this item.

Mr. BROOKS: Then perhaps the minister will explain just what this item of $18,000 for temporary assistance means. I understood that it was for stenographers and temporary help.

Mr. GARDINER: Perhaps I should say that the special products board is composed of Dean Shaw, Mr. Hamer and one representative from the Department of Trade and Commerce. They are not paid anything for this work, in addition to their usual salaries. They have been in the department for years; they draw their salary on the basis of their ordinary jobs, and are doing this work in addition. One other man, Mr. Neely, is also operating. He has been an official of the department for years; he has been asked to do this work, and his salary remains as for his usual position. This $18,000 is for the purpose of paying any additional help they may have to get from time to time in order to carry out their operations. That is, it may be to pay people at some point where they want conditions investigated, or it may be at the point from which we are shipping, where special investigations have to be made. The staff itself is very small, and is composed of people who are drawing their salaries from the government for their regular work and who are doing this work in addition.

Mr. BROOKS: That is pretty hard for me to follow. Looking at these different boards, I see their cost is almost exactly the same—

Mr. GARDINER: I am speaking now only of the special products board.

Mr. BROOKS: Well, in connection with the special products board the sum provided for temporary assistance, which the minister says is for stenographers and other help, is more for next year.

Mr. GARDINER: What page are you reading from?

Mr. BROOKS: From page 266. As a matter of fact what I say about this board applies to all these boards which seem to be going out of business. The cost as far as the staff is concerned, still remains the same, if not more, as when they were administering large amounts.

Mr. GARDINER: This board is not going out of business. It is administering amounts now just as large as it ever did; that is, in the way of dealing with farm products which are being delivered to Britain. We are still dealing with sums of money, perhaps not as large, but we have to go through the same operations as before in order to get delivery of farm products.

Mr. BROOKS: If the duties of these boards are found to have more or less come to an end, are the temporary officials dismissed, are they absorbed by some other departments, or what becomes of them?

Mr. GARDINER: In general it is as I explained a moment ago. These are special persons who have to be put out to inspect certain operations. Most of those who were put out under the item of $38,000 were egg inspectors, at the time egg deliveries to Britain were high. The year before last they were at their peak; last year they were not quite so high, and this year they are not as high as last year. It was the setting up of the system to get those eggs delivered, and the inspection in connection with it, that cost the amount shown. As the hon. member has suggested, these men are removed when the work is finished. They are not civil servants in the ordinary sense.

Mr. STEPHENSON: Is the minister in a position to answer the question I asked last evening in reference to the restricted area in Durham county?

Mr. GARDINER: I am sorry I have not that information. I will have to get it for the hon. member when I go up to the office.

Item agreed to.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

200. Departmental administration, $531,954.

Mr. NICHOLSON: When these estimates were before the committee previously I wished to make a few remarks but was unable to do so. Some of what I have to say will be of a critical nature, but before going on with that I should like to thank the minister for the announcement he made in the house on May 19 in connection with federal assistance to the Montreal neurological institute. I happened to be in Montreal in January visiting one of my

constituents who was a patient there. While I was in the city, I happened to see a copy of the Montreal *Standard* containing a feature story outlining the critical financial position of this internationally known institute. Perhaps I might read a portion of it:

Staff members at the neurological institute are mixing their neurology these days with discussions of the financial difficulties which have put the institute close to bankruptcy. The MNI faces a bleak future unless more money is forthcoming, and soon. Otherwise, the institute will be forced to close the hospital unit by April of this year. The MNI is owned by McGill university and, in certain aspects of its clinical activity, the Royal Victoria hospital acts as its agent.

My friend, who had been to Rochester previously, was extravagant in his praise of the neurological institute in Montreal; and I am very happy to learn that the minister and other members of the cabinet have regarded this as a national institute and that an adequate financial grant is to be made. I am sure that when the supplementary estimates come before the house hon. members in all sections will unanimously support the government in this wise decision.

Having said that, I consider that the minister is open to criticism because of his failure to place the problem of health in its proper perspective. The other evening the hon. member for Lanark gave an interesting address, outlining some of the major problems. Most of his material was not new; it was brought to the attention of the country in 1943, prior to the last election. I looked up some of the evidence given before the social security committee, and I find that on Friday, March 19, 1943, the late Doctor Heagerty gave evidence before that committee outlining the position in Canada. He said:

We have been losing an average of a thousand mothers each year. It is down a little during the last two or three years, due to the concentrated efforts of the provincial departments of health. When a mother dies, the child usually dies. The child dies because there is no one to take care of the child. We would like to have incubators—to take the newborn child to the hospital—we haven't got them and we cannot get them, we have no money for them. Why have we this condition? We have been losing over the past ten years on an average of 15,000 children under one year of age each year.

Then he referred to the situation in regard to tuberculosis:

And now, what is the situation in regard to tuberculosis in the various provinces of Canada? Can you do anything about tuberculosis? Well, you take Quebec and Ontario. They are very, very close together. They have the same air, very much the same living conditions; and you find that the death rate in Ontario is 25, as compared with 80 in Quebec. Why is that? Ontario has provided practically free treatment, it is now X-raying all the people of the province at a cost of 30 cents per X-ray. In Saskatchewan the death rate is twenty-nine. Free treatment is provided in Saskatchewan.

There are three provinces which have adequate facilities for the prevention and treatment of tuberculosis; they are Saskatchewan, Ontario and Alberta.

I might mention that this interesting information was compiled prior to the last election. The present administration created the impression that they really planned on doing something about the health problem in Canada. I find that on April 29, 1946, in outlining the government's proposals before the dominion-provincial conference the Prime Minister made this suggestion in the field of health regarding planning grants. He said:

The dominion will pay to any provincial government which so desires immediately upon completion of the agreement, $5,000 plus five cents per capita of its 1941 population (but not less than $15,000) to be spent within two years on studies of the requirements of the province in the field of essential medical, hospital and related services. Quarterly reports would be submitted by the provincial governments.

Then there is a paragraph on health insurance, another on health grants and another on hospital construction.

I find that the present Minister of National Defence, who was then the Minister of National Health and Welfare, outlined in greater detail the government's proposals in the field of national health. He recognized definitely that there are great inequalities in the quantity and quality of health care available in different parts of Canada, and in the cost of such public and private health services and medical and hospital facilities as were then available. He continued:

These inequalities in part reflect differences in personal incomes, and in part are due to differences between rural and urban areas. Great differences between provinces arise from these same factors.

Then, to give an indication of what the government planned to do, he said:

To remove the disparities in standards of health services in different parts of Canada, to avoid the risks of sudden heavy expenditures, and distribute health costs more widely and equitably, and above all, to obtain the benefits of better health for the great majority of our people—these are the objects of the proposals which the federal government is now making with respect to health insurance for all, and increased public health services assisted by federal grants.

The minister went on to outline the grant for planning and organization, health insurance proposals, and different benefits to be made available for fighting tuberculosis,

mental disease, venereal disease, aids for crippled children, and moneys for professional training.

It is not good enough for the Minister of National Health and Welfare to come before the committee and make the sort of speech he made the other night when discussing the problem of cancer. What the minister said was of general interest; but when he had finished he had not told us how much the federal government is planning on spending to fight this dread disease. The hon. member for Lanark drew attention to the fact that we have had about half a million dollars tied up in a fund for about twelve years, and that that is a fund which does not belong to the federal government.

The major part of the minister's speech was devoted to the setting up of a national cancer institute for Canada. He mentioned that this institute is not responsible to this or any other government. If the minister is so concerned about cancer he should be prepared to make an adequate grant to see that the necessary scientific personnel will be trained and will be made available in different parts of Canada to fight the disease. The amount of $150,000 a year for the next few years is just a drop in the bucket when one considers the cost measured in lives caused by this disease in Canada.

I suggest that the minister, in introducing the item, should have made a statement indicating that he is now calling the ministers of public health from the provinces, and that he is prepared to recommend to the cabinet that the federal government now enter into an agreement with those provincial governments which have been able to reach agreement with the federal government in the matter of dominion-provincial relations.

I need not remind the committee that when the matter of old age pensions was introduced we did not wait until all the provinces were agreed at one time to introduce legislation for old age pensioners. We had old age pensions in some of the provinces for almost ten years before the benefits were claimed by other provinces.

I suggest that if the minister wishes to bring the premiers of Ontario and Quebec to reason, all he has to do is to announce that, if they want to, the other seven provinces will be able to go along with the federal government in carrying out the objectives which were outlined at the dominion-provincial conference, and that grants will be made for those services which were discussed at the conference.

May I mention that in my own province of Saskatchewan we have taken the federal proposals seriously, and we are proceeding to extend public services in many different directions. Hospital services legislation, the first of its kind on this continent, has been introduced in Saskatchewan. The experience we are having will be useful to other provinces in Canada, and it is hardly fair that, with our limited resources, Saskatchewan should be asked to bear all the expense in connection with this essential educational work which must be undertaken before any part of Canada can proceed with an over-all hospital or health services programme.

Then there is the matter of providing an adequate number of doctors, dentists and nurses. The hon. member for Lanark referred to the shortage of nurses. In some of the evidence presented by the federal government during the war, it was recognized that there are places in Canada where lack of medical services has placed the people living in those communities in an unfair position. When war breaks out, people in all the provinces are expected to offer their lives in the service of their country. If in some parts of the dominion there are young people who are rejected on physical grounds, that is a national misfortune. So in peace time I believe it should be our objective and goal to see that in all parts of Canada we should have a sufficient number of doctors, dentists and nurses adequately to care for the people.

In the national health survey conducted by the Canadian medical procurement and assignment board during the war, we found that provinces with the lowest average incomes had the lowest number of doctors, and that in those provinces doctors had to travel greater distances over worse roads. In Ontario where the average income is highest there was one doctor for every 872 persons. In Saskatchewan where, in 1931, the income was down to $285 per capita there was one doctor for every 1,578 persons. The experience in my constituency has been that when the young people from there have attended medical colleges in Montreal, Toronto or Winnipeg they have established contacts while in college and have found it easier to practise medicine away from the communities in which they lived. The result has been that we have never been able to attract a sufficient number of professional people to that area to serve the population. At the present time our ratio is one doctor for 3,300 persons. In the Canadian army the ratio was something more than four doctors per 1,000, while in the United States it was even higher.

In most civilized countries it is considered that there should be at least one doctor for every 1,000 or 1,500 of population. While we are making some progress in Saskatchewan in attracting doctors to practise in that province,

we shall not be able with our own resources to train a sufficient number, nor shall we be able to provide the type of medical and hospital services that a country with the great resources possessed by Canada, should offer.

The same is true with regard to dental services. The boundaries of the constituency I represent will be defined in the redistribution measure, and we shall then have only one dentist for some 48,000 persons. At present we have three dentists in the area, in the ratio of one dentist to 19,000 people. The redistribution will take two of those dentists out of the area, and one of them is about to retire. While Saskatchewan is offering inducements to dentists to come to our province, we have not a dental college and hospital, and our young people have to go east or west to get their dental education and too many of them do not return to the province.

I was interested in a study made by Doctor Clare Robinson in the field of providing medical education. Doctor Robinson is from Queen's university. He points out what is generally known, but I think the statistics will come as a surprise to a great many. He tells us, for example, that although thirty-six per cent of our people in Canada give agriculture as their occupation, only 12·2 per cent of our doctors come from this group. From finance we get over five per cent of our doctors. We have four per cent of our population in the professional groups and they supply twenty-eight per cent of our doctors. Doctor Robinson goes on to explain that a great many of our children have not much chance of ever becoming medical doctors under the present set-up. He mentions that earlier in the century it was possible for people to work their way through university, but that nowadays, with the cost of university education rising every year, it is next to impossible for young people, regardless of their mental qualifications, to find the wherewithal to get through university. A chart shows the cost of medical education. He says that if you want an expensive medical education choose McGill, and the next most expensive universities are Toronto and Dalhousie, where averages of $975 and $974 were reported. Next comes Montreal. The universities where you can start taking your university course at the lowest cost are the western universities, the university of Saskatchewan with an annual cost of $628, and the university of Alberta with $698, as compared with $1,206 at McGill university.

Mr. BLAIR: In the western universities those are pre-medical courses, are they not?

[Mr. Nicholson.]

Mr. NICHOLSON: In Alberta and Manitoba the complete course is given, but in Saskatchewan it is a pre-medical course.

Mr. BLAIR: What was the cost in Alberta?

Mr. NICHOLSON: It was $698 as compared with $1,206 for McGill and $975 for Toronto. In war time it was considered a national responsibility to train personnel for the air force, army and navy. I recall that the Minister of National Defence for Air told the house that it cost $25,000 to train a pilot for the air force, $27,000 for an observer and $28,000 for a navigator. It costs $5,000 to train a medical doctor, Doctor Robinson says. If we could spend $25,000 to train young Canadians by the thousands in the art of war it should not be a problem to find $5,000 to train an adequate number of people as doctors and dentists. It is very difficult for me to explain to the veterans in my constituency that Canada was able to supply one dentist for every 500 soldiers in war time and that now we have only one dentist for 44,000 or 45,000 people in peace time. It is not fair to say that this is a provincial responsibility, that the province should bear the cost. The students who graduate from these colleges are free to practise in any part of the dominion if they pass the dominion examinations. In war time the problem of financing the war was a national responsibility. In peace time the fighting of disease should claim a larger percentage of our total national income than has been the case. So I suggest that the minister should, without further delay, convene a conference of dominion and provincial health authorities and reach an agreement with those provinces which are prepared to go along and carry out the spirit of the decisons reached by the previous Minister of National Health and Welfare, so that a programme can be carried out that would be satisfactory to the dominion and provinces concerned. I am sure that the great volume of evidence placed before the social security committee before the last election demonstrates that health is a national concern.

I was particularly interested in the brief "Health on the March" presented by the Canadian Federation of Agriculture. There are some striking paragraphs in the proposals submitted by the federation. For example:

(a) The large majority of the people are unable to pay for adequate medical care with its rapidly increasing scope and costs; while at the same time, those who give the services are not receiving a just remuneration. This state of affairs is having a serious effect on the welfare of our dominion.

(b) Health is a national problem which is becoming more and more evident under the stress of war conditions. The responsibility of

the federal government in calling on man and woman power from all classes entails federal responsibility for the people's health.

(c) A national health plan would encourage a strong national sentiment. Confederation was intended to foster a national economy. There is now urgent need to revive this interest.

They make recommendations how they would organize and find the wherewithal, a system of financing that would be equitable so far as the individuals are concerned, and they propose nine different methods of raising funds. They suggest that a fund should be raised by the federal authorities, that the plan should include all citizens, not merely those who can afford the luxury of good health, and they say:

Complete coverage is necessary to achieve financial soundness and to spread the cost equitably.

They go on to say that the promotion of positive health and the prevention of disease should be the primary purpose of the plan. I am not insisting that the minister should accept the plans which the members of this group have emphasized or the plan of the Canadian Federation of Agriculture, but I submit it is imperative that the government's own proposals made to the provinces should now be presented again to the seven provinces which have made financial agreements with the government; the minister should be able to persuade members of the cabinet that an adequate budget for health should be provided, and his officers and his department should fight disease in peace time with the same imagination and the same determination as we fought it in war time.

Mr. FLEMING: I thought we were going to receive some information from the minister. I had asked for a break-down of the actual expenditures for the fiscal year ended March 31, 1947, as a guide to us in approaching the estimates for the current year, and for purposes of comparison. Has the minister that information?

Hon. PAUL MARTIN (Minister of National Health and Welfare): I think the best way would be for the hon. member to ask as we come to the individual items.

Mr. FLEMING: With respect, I submit that that would take a great deal of time. If we had the information now it might obviate the necessity of asking many questions. We are all desirous of economizing time, and to draw out the information required item by item will take a great deal of time. I suggest that the information be made available early in the discussion in order to save time.

Mr. FRASER: A short time ago the Department of Health rented a place on Parkdale avenue.

Mr. MARTIN: Will the hon. member wait until we come to the item on the laboratory?

Mr. FRASER: Will "other properties" come under that item?

Mr. MARTIN: Yes.

Mr. FRASER: Under that one item?

Mr. MARTIN: Item 206.

Mr. FLEMING: Is the minister going to supply that information, or is he going to force us to ask for information on every item?

Mr. MARTIN: I think it is the most convenient way of dealing with them.

Mr. FLEMING: With great respect, I disagree with the minister. I thought we were trying to save some time. If we are to stop at every item and ask for an explanation of it, that will take much more time. I am trying to cooperate with the minister to save time and to avoid asking questions on every item. If we were furnished with the information in advance, that would not be required, but apparently the minister is not prepared to do that.

Mr. MARTIN: I can only say that I think my hon. friend is trying to cooperate and I am trying to cooperate with him, but I believe that is the most expeditious way of dealing with the item. As we come to each item, I shall be glad to give him the information.

Mr. FRASER: I wish to repeat my question. How many different offices or laboratories has the department in Ottawa? How many different buildings are occupied at the present time?

Mr. MARTIN: Two laboratories only.

Mr. FRASER: Where are they?

Mr. MARTIN: On John street, and the new one.

Mr. FRASER: John street; is that the laboratory?

Mr. MARTIN: Yes, and the new one is on Parkdale avenue.

Mr. FRASER: That is the old laboratory?

Mr. MARTIN: The new one.

Mr. FRASER: The new one on Parkdale avenue is not in operation yet.

Mr. BLACKMORE: I should like to ask the minister two or three questions regarding facilities for research into the cause of cancer.

What item would he suggest would be the proper one under which to ask these questions?

Mr. MARTIN: There is no specific item on cancer. I suggest that when we come to the item on epidemiology we might deal with it.

Mr. FLEMING: I understood that the minister was going to say something on the subject of the various items scattered through the estimates under the headings "educational and informational publicity". I made a passing comment on this subject when the committee was last in session on the estimates of this department. In the fiscal year 1945-46, a total of $416,000 was appropriated for publicity and information—

Mr. MARTIN: If I might interrupt, I think when we come to that item we shall deal with it. I do not think we should deal with it under departmental administration. When we come to the item on information and educational publicity we can deal with that particular question. That is a more orderly procedure. If we wait until we come to each item and discuss the matter I shall be very glad to give all the information asked by the hon. member to the best of my ability.

Mr. FLEMING: This is not something that is found in any one item of the estimates alone; it is scatttered throughout. There are some fifteen items.

Mr. MARTIN: It is a primary in many items.

Mr. FLEMING: In this first item "departmental administration" there is a substantial sum for this purpose. I wanted to make one or two general observations and ask for comment by the minister. I mentioned that in the fiscal year 1945-46 a total of $416,000 was appropriated for publicity and information. In 1946-47 the total appropriated was substantially increased; it was $570,530 altogether. According to my calculation, the aggregate is $390,000 in the various items this year. I should like to ask the minister a question as to the intentions of the department in this field, because last year quite a few of us were not at all satisfied with the evidence that was put before the committee by the then minister as to the way in which these substantial amounts of money were being expended. Undoubtedly the work of dissemination of educational information is an important function of this department. We wish to be certain that what is being circulated is something really helpful to the public and that it will assist in the maintenance and promotion of public health. Last year some of the evidence submitted indicated that money was being spent on things which were anything but helpful. I need only remind the committee of fillers that were being issued advising people, for instance, to expend their family allowances on certain necessities and then to spend the remainder to add zest to living. That sort of trash is an insult to the intelligence of the Canadian people. Just imagine telling people to spend their money to add zest to living. I should like, and I am sure all hon. members would like, some assurance from the minister that in all these items in the total of educational information scattered through these estimates the money is to be well and wisely spent; that it will not be spent on issuing fillers that have no more to commend themselves to the intelligence of the people of Canada than the one to which I have referred and which was not an isolated case by any means; there was a number of them.

Item agreed to.

National health branch—

201. National health branch administration, $143,727.

Mr. FRASER: I should like to know what has been spent on advertising, because some of the advertising from this national health branch has been terrible.

Mr. MARTIN: Was the question about educational information or advertising?

Mr. FRASER: Advertising.

Mr. MARTIN: No money is spent on advertising.

Mr. FRASER: National health across Canada.

Mr. MARTIN: No money is spent on advertising.

Mr. FRASER: What about the national health league?

Mr. MARTIN: The Health League of Canada is a private, volunteer organization.

Mr. FRASER: Sponsored by this department.

Mr. MARTIN: It receives a grant.

Mr. FLEMING: Has the minister the amount of expenditure on these two items?

Mr. MARTIN: What two items?

Mr. FLEMING: Items 200 and 201. The minister's attitude compels us to ask this question on each item. The minister's refusal

to give us that information in advance compels us to ask this question on each item, and I protest that.

Mr. MARTIN: With regard to departmental administration, we have a publication called "Canada's Health and Welfare" of which there were approximately 58,000 copies in English and 25,000 copies in French distributed each month last year.

Mr. FLEMING: What is the total of the item?

Mr. MARTIN: The total expended was $24,276.54.

Mr. FLEMING: I think the minister misunderstood me. I was asking for the total expenditure, first, as against the appropriation of $525,000, item 200, and, then, against the appropriation of $226,537, item 201. That is the expenditure we are asking for.

Mr. MARTIN: $48,350, departmental, and under item 201, it is $36,250.

Mr. FLEMING: I am sure that we are at cross-purposes. What I am asking for is the actual expenditure on this item. Surely the minister is not saying that, out of the appropriation of $525,000 last year, the total expended was $48,350. What I am asking for is the total of the actual expenditure so that I can compare it with the estimated requirements for this fiscal year.

Mr. MARTIN: Covering the entire department?

Mr. FLEMING: Yes, I want the item of expenditure corresponding to item 200, of the estimates.

Mr. MARTIN: Covering the entire department, it is $278,000 for educational and informational publicity.

Mr. KNOWLES: I note there is a sizeable decrease of over $82,000, which seems to be made up, in the main, of a reduction in temporary assistance and a reduction in educational and informational publicity. Is the work of the department suffering from either of these decreases? I should like to know why there is such a considerable decrease in educational and informational publicity. Is it by any chance the result of attacks which my hon. friends opposite received last year from hon. members to my right?

Mr. MARTIN: The decrease in this item is partly explained by a decrease of $25,958 in salaries, and in other pay list items of $5,521.

Mr. KNOWLES: Before the minister leaves that, why are there these decreases?

Mr. MARTIN: There are a number of positions that have been deleted, and a number transferred to other divisions, but it is not felt that the efficiency of this particular division has suffered in any way as a result.

Mr. KNOWLES: There are no jobs that were being done before that are not done now?

Mr. MARTIN: No. With regard to educational and informational publicity, there is a decrease. A start has already been made on certain films previously recommended by the dominion council of health, a body which meets twice a year at the instance of the Department of National Health and Welfare to discuss matters of mutual and national interest. The council's special committee on films in 1945 suggested a representative list including restaurant sanitation, rural sanitation and rent control, and steps have now been taken to implement these recommendations. Certain films were suggested as a result of the health education conference last fall and are now under active consideration. This will include such subjects as the common cold, immunization and tuberculosis. It is hoped that we shall be able to get on as quickly as possible with the scripting and shooting of a number of these films under this year's budget, but it will be necessary to provide for a carryover of a considerable quantity of work next year. This we feel will be adequately covered for the time by $32,000 requested, which it is thought is sufficient to produce two such films.

On the general item of public information, I did feel at the outset that there were some items which could be eliminated; for instance, one telling people how to ski. One of the first instructions I gave was that there be no further moneys expended on that publication. I must say at this stage, however, that my review of the educational work of the department convinces me that if we are to do the job which hon. gentlemen generally believe we should pursue, an assignment with which I am in full accord, we must take the suggestion of the hon. member for Lanark, who last year took issue with some of his own colleagues in saying that rather than curtail information we ought to extend it.

Mr. KNOWLES: Hear, hear.

Mr. MARTIN: I believe that is a sound view to take. It is all very well for hon. gentlemen to criticize this item, which has been reduced considerably from the sum of over $590,000 to $390,000. I am bound to say that at the moment my view is that that is a curtailment, to which perhaps I would not have consented earlier in the year had I

known as much about my work as I do now. I say that quite honestly and frankly. If we are to bring home the facts to the people of this country, in pursuance of the constitutional responsibilities of this government in the matter of health, we should not hesitate wisely to bring home, in as graphic a manner as we can to all groups of the population, rural and urban, the steps which it is thought by our technical staff should be taken to improve the standards of health of the Canadian people.

We have heard a discussion tonight, an admirable discussion thus far, though not too complimentary to a minister who is doing his best within a short time to tackle the great responsibility that devolves upon him. We have heard suggestions tonight about a cutting down in maternity mortality rates, infant mortality rates, deaths resulting from tuberculosis, cancer and the like—all of them projects that cannot help but capture the imagination and the interest of any responsible minister—and I think I can say this to the membership of a house that knows my interest in these things. I feel keenly that we should do some of the things about which mention has been made tonight, and one of the ways of doing this is to bring the matter home to the people of the country.

Take the work of industrial health. We can bring home the importance of this to the men who work in our factories, pointing out ways and means of improving health standards. Take the work of Doctor E. Couture, whose book, "The Canadian Mother and Child" has now reached a total circulation of over 750,000 copies. That kind of work is having an incalculable benefit. I have looked through carefully the criticisms which were leveled last year, responsibly directed criticisms I know, but which perhaps were made without a full knowledge of the facts. I must say that, having gone into the items carefully, I can find only a genuine demand throughout the country, from all kinds of groups, for the kind of publication we are putting out.

No two people will agree on what is the wise way of bringing home to the public information in regard to problems of health and the ways and means of meeting health deficiency. We must put ourselves at the disposal of those who, through radio or films or by writing, or through other methods of graphic portrayal, feel that these are the most effective ways of dealing with the matter. Take the question of press fillers. I am not convinced by the argument of the hon. member for Eglinton. I have been trying to find some way of agreeing with him, but I regret to say that I have not found one item on which I am fully in accord with him.

These press fillers go, not only to the daily press, but to the weekly press as well, and I find that there are literally thousands of letters coming to the department from men and women on our farms and in our factories, workers and others, asking for further information of the kind disseminated by some of these films and fillers. I can only say that in my judgment they serve a useful purpose, and rather than complain about the quantity, perhaps we should be open to some suggestion with regard to increasing them.

A trial survey of the press some months ago convinced me that a widespread use of these educational fillers is a wise assignment. Newspapers large and small are slipping them in where they have space. Some of the most influential newspapers in Canada, such as the Toronto *Globe and Mail*, a well known Canadian paper, the Ottawa *Journal*, the Montreal *Gazette*, use them frequently.

Mr. MacNICOL: Do not forget the Windsor *Star*.

Mr. MARTIN: And the Windsor *Star*, Canada's first newspaper. In fact some of the larger newspapers have asked for more copy along the same line. The Montreal *Star* arranged for us to provide a continuous service on health hints to be used in connection with one of its special feature pages. The *Northern Ontario* called for additional material to feature on its woman's page. Editors of house organs and trade journals have asked to be included in the service.

I had a case brought to my attention only yesterday. The bulletin of the department had an issue on cancer about two or three weeks ago. From a nearby community not many miles from this city, a doctor wrote in telling us that he had left that at the home of a woman whom he was attending in connection with another malady. The pamphlet was lying in the home. The husband read it. As hon. gentlemen may recall, in that pamphlet there was a suggestion that an examination for cancer should be undertaken whenever any apparent symptom appeared or there was any thought of it on the part of the potential victim. This person read that health bulletin and went to a doctor, who is a member of this house. As a result of his diagnosis, this doctor found that the person had cancer in an early stage. I sincerely hope that as a result of that doctor's care, and the diagnosis which was immediately made, that particular individual may be relieved of the dreadful malady. That is one example. One could go on.

I can only say that I am convinced beyond peradventure of the wisdom of the department's programme. At the request of hon. gentlemen earlier in the session I tabled a list of the publications of this particular division. If there is any item to which any hon. gentleman takes exception, I shall be prepared to discuss it, argue as to its merits and deal with it right on the floor of this house.

Mr. CHURCH: I wish to say something in connection with this general administration. I want to congratulate the minister on the degree he got at Michigan university. He appears to be getting extremely popular by degrees. I visited Detroit a few years ago when Mayor Cousens was mayor of that city, just about the time of the discovery by Doctor Banting, who hung out his shingle in Toronto after his graduation from Varsity, and another medical student called Mr. Charlie Best, who was a joint discoverer of this great boon to humanity. At that time I was in Detroit city addressing the Canadian club in 1923 and I found fifty doctors there from the universities of this country, McGill, Queen's, Toronto and other universities. When I came back as a young member of the House of Commons, I had a long connection with public health, with the hospital system and the development of the hospital system in our city. We brought Doctor Hastings, a great health officer, into the Department of Public Health. At that time there were so many cases of typhoid and diphtheria that we had to get a new sewage system, a new water supply system, chlorination and filtration of water, inspection of milk and all that kind of thing. An ounce of prevention was found to be worth a pound of cure. I do not wish to interfere with other hon. gentlemen who desire to speak in this debate, but I just wish to bring two or three matters to the attention of the government.

The young minister has shown a great deal of activity since he joined this department. I do not altogether like a lawyer in his position. He is good at the law business, but a lawyer at the head of the health department is another matter. Once in a while I become ill and send for the best doctor I can get. I wish to point out to the government that we are losing a great many of the graduates in medicine from our universities. They are not staying here but are going to the United States. I found this to be true of the great Johns Hopkins medical school at Baltimore, before I came into this parliament; the head chairs were occupied by Canadians. There were Doctor Howard Kelly, Doctor Thomas Cullen, Doctor Llewellyn Barker, Doctor Sweetman and those great men who brought medicine to the distinguished position it had in that university succeeding the greater Doctor Osler who went to Oxford. I brought before the house on February 27, 1923, this question of a large annuity to our scientists because I saw this general exodus. Doctor Banting was going to go to the states. Mr. Best was then a medical student. A great many of the medical students of our country are poor people, and have had to struggle to get a degree. I venture to say ninety per cent of them are poor people. I know that one of the doctors—I do not want to give his name—took menial positions on boats in the summer, sold papers and did all kinds of things in the summer months in order to earn money for the fees. In the faculty of medicine the fees have been going up in geometrical progression, two, four, six, eight. You need to be a rich man to be a doctor.

I wish to point out one or two things. On February 27, 1923, I spoke on this matter. I have the *Hansard* debates here but I will not read it all. I referred to the history of medicine, where all these discoveries which have been made in medicine down through the ages were made by people who never made a nickel out of them but gave their lives to science in the way that Doctor Banting and Mr. Best gave theirs. They got only a small amount of money from the government. If we want to do something, the Canadian government has got to be up and doing. There is no use in our having a skeleton department and turning the matter over to the municipalities and the provinces. It should be made a federal matter entirely. They have that in England, Germany, and France; they have a national system of health. It is the duty of the government to look after the health, wealth and happiness and prosperity of its people. Life has no object at all unless a person has good health.

Look at the poor Indians in this country, people who are not even citizens. We have spent two sessions trying to find out if they are citizens. If they are citizens, and they should have been fifty years ago, they are entitled to health laws. We have taken two sessions to find anything out about it. If you look down the history of medicine you will find that the discoveries of medical men to cure disease have been given to the world freely, without fee or reward, such as antiseptics which were given freely to the world by Lord Lister, anaesthesia by Simpson and Morton, vaccination by Jenner, and many others. For the most part, they never made anything out of them at all. There was only one case I think, where it was capitalized in

Germany, the discovery of what was called 606 by Erlich. Burdock's blood bitters and all those quack medicines which people buy unnecessarily in many cases are a commercial matter. There is one country which has done something, and that is France, where they honour men of science. If you go to Paris you will see monuments and parks called after Pasteur. Here in this country we have forgotten about these men. The other day I saw the grave of Doctor Banting in Mount Pleasant cemetery. There was a small monument on it about the size of this desk, made of concrete, with the word "Banting" on it. We do not want all our bright scholars to go to the United States. I call attention to the debate away back on February 27, 1923, where I introduced a resolution asking a grant of $7,500 for Doctor Banting and one for Doctor Best. The government of the day said they could not do anything then. I like to give credit where credit is due. Away back in June, 1923, I called attention to the fact that in the supplementary estimates Doctor Banting was given an annual grant of $7,500, and I said Doctor Best should be given an equal grant. That discussion will be found in the debates of this house at page 4439 of *Hansard* for June 27, 1923; and I also discussed the matter on February 27 of the same year. That was a creditable action on the part of the government. It led to the establishment of the Banting institute. At that time I was at the Johns Hopkins hospital, and I was informed by one of the leading doctors there that at that time they had nearly nine hundred thousand cases of diabetes in the United States. I do not know where we would have been in the second war had it not been for that great discovery.

I hope we may have a national policy in regard to medicine. I do not mean state medicine; I am not referring to that. For one thing I believe internes in our hospitals should be given $600 a year as well as living expenses. That would not be very much. Then there is the question of nurses. Four sessions ago, when you could not get a nurse, when they were not available, I asked what the government was going to do about it. They have not done very much, and the same difficulty still exists.

I might mention many other matters tonight, but I urge upon the government that these men of science should be kept in Canada, and that our universities should be given large grants of money. Instead of building up a great central health department here, I believe certain universities could take up different branches of this work, including the work on cancer; and they should have federal assistance by large capital grants all along the line. The King George V cancer fund is now pretty well gone; by the end of this year there will be very little money left in the treasury, and I think the government should give a very large grant for that purpose. I believe the day is not far distant when we shall need a national health policy for this country. The housing situation is simply ridiculous, and it leads to a great deal of poor health in regard to water supply and sewage disposal. I remember back in 1914 and 1915, when the late John Ross Robertson did such magnificent work in Toronto in connection with the sick children's hospital, which has been a blessing to the children of our city and province ever since. At that time the question of medical and dental inspection in the schools came up, and we were the first city to have that service, which has since been extended to the secondary schools. So I hope the government will come to the assistance of the municipalities by means of substantial grants. Perhaps this should be done through the provinces, but the provinces seem to like to hang on to the money. I believe the government should do something for the hospital system of the whole country in order to help out the municipalities, because this represents a serious drain on real estate and the cost is going up by leaps and bounds.

I know other hon. gentlemen wish to take part in this debate, but I want to impress upon the government that something must be done to keep our young scientists at home, the way France and the United States and Germany have done for many years past. After all is said and done, we can take a lesson from what was done by the German people before the war in regard to medicine and many other branches of science, though no doubt some of them went too far. Instead of marking time, I believe we should have a large fund, perhaps $25,000,000 to start with, among other things for research into medical matters by Canadian students in our own universities; and we should also see to it that our university graduates in medicine are not exported to the United States.

Mr. BLAIR: To go back to the question of education, I agree that education, or propaganda put out to the people, is one of the most effective weapons we have. I think that piece of literature on the cancer programme was one of the finest things I have ever seen. It is unfortunate that in an item which appears further down in the list the minister has had to cut expenditures on child and maternal health from $80,000 to approximately $46,000.

Mr. MARTIN: It is not as bad as it seems. That was as the result of not providing for a

film such as that which was completed last year. When we come to that item we can deal with it.

Mr. BLAIR: Excellent work has been done under this item. I do not think a finer piece of work than Doctor Couture's book "Mother and Child" has ever been put out by any department of health. Some of the things put out under this educational policy are the very best, but some things still creep in that are very foolish. I have mentioned Doctor Couture's book, and now I will go from the sublime to the ridiculous. Here is a filler which I think must have been written by a sailor. He has it headed, "Woolies Away", he must have been thinking of "Anchors Aweigh." In it he warns the people of the country to have their woolies cleaned, because if they do not they are liable to get vermin. This may contain scientific facts, but I do not think it is any great contribution to Canadian literature. I want to point out that some of this ridiculous propaganda is still included in the fillers sent out to the newspapers. I criticized this practice last year. There has been a great improvement since then, but I think there is room for still further improvement.

Mr. FRASER: When the minister was speaking he mentioned industrial hygiene.

Mr. MARTIN: Laboratory hygiene.

Mr. FRASER: Yes, but the minister said industrial hygiene.

Mr. MARTIN: There is a special item for that which we will come to shortly.

Mr. FRASER: But you were talking about it a few minutes ago.

Mr. MARTIN: I was trying to illustrate the value of educational work under item 200. We are now on item 201. When we come to the item dealing with industrial health I shall be glad to deal with any relevant question.

Mr. FRASER: The minister also said he had considerably cut down the amount for publicity, which I think was a good idea because now he can start from scratch and build up again. I believe in pubilicity of the right kind, but in the past I think you have had the wrong kind. Now you have a deputy minister who, I am sure, knows his business, and I think you will get somewhere.

Mr. MARTIN: He comes from Peterborough, which helps a great deal.

Mr. FRASER: I know, but that is not what I mean.

Mr. MARTIN: Certainly that is not a harmful fact.

Mr. FRASER: No, I think that might help him; but now I think you may have a chance to get ahead. I feel quite sure the deputy minister had something to do with that cancer book which was sent out.

Mr. MARTIN: A great deal.

Mr. FRASER: If the rest of the literature you put out is of that calibre I do not think one member of the opposition will have any criticism to offer. But you have put out films that have been no good, and you have had advertising that has been absolutely no good, an absolute waste of money. In regard to publicity for industry, which you are coming to later, I think the more you put out for that purpose, of the right kind, the better it will be for this country.

Mr. KNOWLES: Could the minister give us the cost of the two excellent booklets that have been referred to, the one on cancer and the one on the mother and child?

Mr. MARTIN: About $1,700 for the cancer bulletin. I shall have to get the other figure later.

Mr. FRASER: The mother and child booklet was issued some years ago, and then reissued.

Mr. MARTIN: Yes.

Mr. FRASER: That mother and child booklet is distributed to welfare and children's aid societies, is it?

Mr. MARTIN: To provincial health departments, and through them to all sorts of groups and individuals. Some 750,000 copies have gone out.

Mr. NICHOLSON: I find in the annual report of the director of health insurance, dated December 29, 1945—

Mr. MARTIN: That is another item. That is item 217.

Mr. FLEMING: I am trying to get the figures on expenditures for last year.

Mr. MARTIN: I will give them now. With respect to item 201, the estimate for 1947-48 is $143,727, whereas in 1946-47 it was $226,537. The expenditures for 1946-47 amounted to $89,421.74. The unliquidated commitments for 1946-47 are $13,437.11. The total commitments for 1946-47 are $102,858.85.

Mr. FLEMING: That is just the reason why I think it is so important that we have the actual expenditures. Last year the minister asked for an appropriation of more than $226,000. He has actually spent or contracted

to spend $102,000. That indicates how different the estimates and the expenditures can be. I am sure the minister spent everything he felt it necessary to spend under the item. And yet we find that only about forty per cent of the amount of money he persuaded parliament last year to put at his disposal in respect of this item has been spent.

Surely we do not need any better example of the need for some better method of checking the estimates of these departments. This is the first example we have reached tonight. I have not the slightest doubt that the ministers—and when I say "the ministers" I mean ministers who have been in office from time to time; there have been two of them in the last year—expended everything on that item they considered should be spent. It shows that last year parliament was imposed upon when it was asked to put $226,000 at the disposal of the department in respect of this item. We need no better proof of the fact that we ought to have, in respect of every item coming before the committee of supply, the actual expenditures in the preceding fiscal year on the item. The estimate of the previous year is no guide. Anyone running a business would insist upon the actual expenditures. Will the minister be good enough to furnish similar information on the other items?

Let me point out that, whereas hon. members talk about reductions in expenditures, what the committee is faced with in respect of this item is an increase in expenditures. It is all very well to bring before us in print these estimates which show reductions in estimated expenditures. Looking at this item, one sees what appears to be a handsome reduction of $82,810 from the appropriated amount for last year. But when one looks into it and finds what was actually spent, he finds that the department is asking the committee this year to provide $41,000 more than was actually spent last year.

Let us not be misled by what appear to be reductions in the estimates. Let us remember that when reductions appear they are only reductions as compared with the estimated expenditures of the preceding year, and have nothing to do with actual expenditure. We do not need any further proof of the fact that the way in which parliament is going about the task of checking expenditures is little better than a farce.

Mr. MARTIN: I have listened with interest to what the hon. member has said. He has told me privately and in a kindly fashion his views on the subject. He will appreciate the task any government or business has to estimate as well as it can, in the light of personnel available, and of proposed projects for the ensuing year.

But the picture is not exactly as my hon. friend has stated it. For example, part of the reduction is accounted for by a reduction of approximately $26,000 in salaries. Funds were provided for a number of vacant posts which remained unfilled for part or all of the year because of the difficulty of obtaining personnel. I say frankly to my hon. friend that in a department like this you cannot hire just anyone. The government had a policy of carrying on certain projects. That work entailed certain personnel. We simply were not able to do it, to the extent represented in this particular instance by the figure of $26,000. Another explanation is in the pay list item. Then in respect of the item for educational and informational publicity, because of the shortage of materials and due to other factors such as the lateness in obtaining a director it was not possible to proceed with the planned programme.

With regard to the other items, I must point out that this is a comparatively new department. It was only a year old when the estimates were finally made; and it is only fair to my predecessor to suggest that naturally in respect of some items he miscalculated. But that miscalculation is one which is not altogether provocative of criticism. My hon. friend and other hon. members would have a more legitimate right to criticize if, instead of overestimating the important work in connection with health, there had been underestimation. In so far as humanly possible, let me say we will endeavour to do our best to make our estimates accurate. But I have no doubt that when we come back next year, while I trust we shall not deserve censure to the same extent, we shall have to say that we were not able to spend this money. The important thing is to spend wisely the money allotted by parliament; and that we are undertaking to do.

Mr. FLEMING: To save time, would the minister just give the actual expenditures corresponding to the different items? He does not need to give the estimates for last year and this year. We have that information. Perhaps he would just run through these votes, giving the number of each vote and the actual expenditures. He will save us a great deal of time by so doing.

Mr. MARTIN: When we come to each item. My hon. friend can see that we have before us voluminous material and information. The information could be easily obtained

by him later in the public accounts. However, when we come to each item, and if he insists, I shall give that information. He is asking that we proceed in an unusual way. I suggest that the proper way is the one I have proposed.

Mr. FLEMING: I wish to make it perfectly clear, and all in good part, that I have no apology to make for asking for the actual expenditures in respect of the items in this department. However I am not going to repeat what I said before. If the minister would give what I have asked we would save a good deal of time. If not, he will compel our asking for the expenditures on each item. I repeat what I said last week, that it is the duty of this committee to see that the money is well spent. We are not going to be niggardly in matters of health and welfare, so long as we see that the people of this country are getting value for money spent.

Mr. MARTIN: Correct.

Mr. FLEMING: But we want to see something more approaching accuracy than we have seen in the present estimates, where one of these estimates has exceeded by 250 per cent the required expenditure.

Mr. MARTIN: We will give that information.

Mr. FLEMING: Then I would ask for the actual expenditures in respect of item 200. The minister gave a different figure.

Mr. MARTIN: We have passed that item.

Mr. FLEMING: I think the figure the minister gave was obviously based on a misapprehension.

Mr. MARTIN: We have passed item 200. I shall look up the hon. member's question, and then tomorrow or at the next opportunity I shall have occasion to look into it. But I think we ought to stick to the item before the committee. We had a general discussion on item 200. Now we are on a specific item. I will look at his question and give him an answer at the first opportunity.

Mr. FLEMING: I can tell the minister my question now.

Mr. MARTIN: We must do it in an orderly way.

Mr. FLEMING: This is a disorderly way.

Item agreed to.

National health branch—
202. Food and drugs, $419,448.

Mr. FLEMING: What is the expenditure?

Mr. MARTIN: Estimated expenditure for 1947-48, $419,448; estimated expenditure for 1946-47, $385,240; expenditure for 1946-47, $314,780.73; unliquidated commitments, 1946-47, $16,873.87.

Item agreed to.

National health branch—
203. Opium and narcotic drugs, $93,743.

Mr. FLEMING: What is the expenditure?

Mr. MARTIN: Estimated expenditure for 1947-48, $93,743; estimated expenditure for 1946-47, $94,820; expenditure for 1946-47, $82,929.92; unliquidated commitments, 1946-47, $110.

Item agreed to.

National health branch—
204. Proprietary or patent medicines, $21,327.

Mr. FLEMING: The same question.

Mr. MARTIN: Estimated expenditure for 1946-47, $19,832; expenditure for 1946-47, $15,905.67; unliquidated commitments, 1946-47, $162.15.

Item agreed to.

National health branch—
205. Quarantine and leprosy, $225,876.

Mr. PEARKES: A few days ago a return was tabled showing that there were two stations in Canada where lepers are taken care of, one at Tracadie in New Brunswick, and one at Bentinck island in British Columbia. In the former station there are some seven patients kept in a special ward of a hospital at a cost of something over $8,000 for the year. At Bentinck island there are three who have been maintained for an expenditure of roughly $5,000 for the year. Those two figures have been constant over the past ten years.

I should like to offer the suggestion that it is an unnecessary expenditure to maintain these two stations, and that a saving could be made by their amalgamation. I know something about the situation in British Columbia because the station there is in my constituency. It is located on an island where the unfortunate patients live. For a number of years there have been only two. I believe one was a Chinaman and one was a Jap. The great unhappiness that these individuals experience is the loneliness of that station. If, for instance, the seven were moved from New Brunswick to that island I do not think the cost would go up very much, because there is ample accommodation for them on that island and they are cared for from the quar-

antine station at Williams Head. But I do not mind in the least whether the seven are moved to British Columbia or the three in British Columbia are moved to eastern Canada. It is just whichever would be the most economical and the most suitable so far as the department is concerned, but I suggest that it is uneconomical to maintain two separate stations for so few patients. It is unlikely that there will be any sudden change, for these numbers have now been constant over a number of years. It is one way in which money can be definitely saved, I suggest to the minister.

Mr. MARTIN: I just want to say briefly that the problem struck me exactly as it struck the hon. gentleman. I have had several discussions with my officials about the matter, and while I cannot say that it is finally closed, I must say that my officials do not take the view my hon. friend takes. It is true that at Bentinck island there are three leprosy patients and seven in the eastern part of Canada. Among those seven in the eastern part of Canada some are native to the area. Only one actual institution is maintained at Bentinck island; the others are put in a separate wing of the Hotel Dieu hospital at Tracadie. The arrangement proposed has not been finally completed, and I shall give careful study to the suggestion of the hon. gentleman.

Mr. PEARKES: Would there be any objection to moving the three from British Columbia to the other station?

Mr. CARDIFF: How long do these patients live?

Mr. MARTIN: Some live as long as thirty years.

Mr. McKAY: Are these seven lepers Canadian citizens? Were any cases of leprosy reported last year?

Mr. MARTIN: Of the seven patients in hospital, four may be considered as under active treatment and showing signs of variable degrees of active leprosy. The other three are considered arrested cases. There are four males and three females. Three are French-Canadians; one is of French-Scotch ancestry; two are of Russian ancestry and one is Canadian-born.

Mr. FRASER: Are these lepers receiving the new treatment?

Mr. MARTIN: Every treatment known to medical science.

Mr. FRASER: Including the new treatment that was discovered a couple of months ago?

Mr. MARTIN: Every care is taken of them.

[Mr. Pearkes.]

Mr. FLEMING: May I have the expenditure on this item?

Mr. MARTIN: The hon. gentleman was persistent at college, and in his public life he is equally persistent, constructively persistent. The estimated expenditure for 1946-47 was $264,307; the expenditure for 1946-47 was $226,847.62; unliquidated commitments for 1946-47, $7,622.84.

Item agreed to.

206. Laboratory of hygiene, $217,059.

Mr. FLEMING: What is the expenditure, please?

Mr. MARTIN: Estimated expenditure for 1946-47, $211,440; expenditure for 1946-47, $170,078.16; unliquidated commitments, 1946-47, $7,226.31; total commitments, $177,304.47.

Mr. FLEMING: There are two questions I should like to ask the minister. The first has to do with the progress made in the development of the manufacture of penicillin carried on under this item by the department. I am thinking particularly of the old Knox college on Spadina avenue in Toronto which was outfitted during the war as one of the pioneer plants for the manufacture of penicillin. What is the situation there today? Perhaps the minister can give us some indication of the use being made of that plant.

At the same time I should like to ask for some information with reference to the item of temporary assistance under the heading "Laboratory of Hygiene" on page 169 of the estimates. There is an increase in this item. Perhaps the minister will give the committee an explanation of the increase and, in particular, why temporary assistance bulks so large in the appropriations of this particular branch.

Mr. MARTIN: It is a new department.

Mr. FLEMING: That is my very point. It is a question of when the necessary staff is to pass from the status of temporary assistance to that of permanent.

Mr. MARTIN: I think the general practice in the service is that everybody stays temporary for at least a year. Then, the question of quota system has to be decided. It is a matter pretty much for the civil service commission. I should think that by this time next year I shall be able to report something more stable in that particular. Was the hon. member asking about the Connaught laboratory?

Mr. FLEMING: Yes, I am thinking of the work carried on under the direction of the Connaught laboratory in the old Knox college building.

Mr. MARTIN: I think I can give some information directly on what is being carried on in our own laboratory. I could give my hon. friend information about the Connaught laboratory through information that they themselves give. With regard to penicillin and our own laboratories, the methods of assaying penicillin have been studied carefully. There are now known to be at least four types or fractions of penicillin with varying therapeutic efficiency. I am able to say—and this is by way of tribute to our own laboratory—that a Canadian standard penicillin has been prepared and is distributed to manufacturers for control of their production. A second lower potency standard is distributed to hospitals and clinical laboratories for use in controlling penicillin therapy. The regulations for the control of penicillin have been revised in the light of the most recent advances. Studies have been carried out on the chemical and enzymatic destruction of penicillin in the search for a more satisfactory sterility test to ensure that preparations of penicillin will be free from contaminating organisms. A practical method for large-scale production of the enzyme penicillinase has been found. I may say that this—and I am sure that the medical men in the house will appreciate this—has been a notable contribution on the part of our laboratory.

Mr. FRASER: Why was it necessary to rent this building on Parkdale avenue when there must be war buildings unoccupied?

Mr. MARTIN: That is a matter for public works. The war buildings were unsuitable for this work, and we have been crowded out in the buildings occupied.

Mr. FRASER: I know the department has been crowded, but $18,000 seems to be a lot of money to spend at a time like this.

Mr. MARTIN: They were simply crowded, and this is extremely important work. While the cost may be important, the actual details are, of course, looked after by public works. I am anxious that we be given every opportunity to put our men in places where they can do an adequate job which vitally affects the welfare of this country, and I am sure the hon. member will agree.

Mr. FRASER: I agree with that, but I just did not think this was the time to build a new building when the veterans cannot get building material.

Mr. MARTIN: I would say that every time is the time in a matter such as this

Item agreed to.

National health branch—

207. Immigration medical inspection, $143,182.

Mr. BLAIR: I should like to ask a question about the medical examination and inspection of immigrants. Are there Wassermann tests taken on every immigrant coming to this country before they leave their land, and do they have chest X-rays?

Mr. MARTIN: With regard to the first question, the answer is no. With regard to the last question, the Minister of Mines and Resources will, I am sure have a statement to make. We merely service that department on requisition. He will have to declare a new policy, but I think my hon. friend will find the new policy will meet what he conceives to be the correct procedure with regard to the medical examination of new immigrants.

Mr. FRASER: We were told by the external affairs department that these immigrants coming in in the mass were being X-rayed.

Mr. MARTIN: That is right. The appropriate answer to that should, I think, come from the appropriate minister. Speaking for myself and my department, I can only say that that is our view, and I think my hon. friend will find that the announcement will show that what he thinks should be done is to be done in the future.

Mr. FRASER: I thought it should have been done five or six years ago. That is what I have been advocating right along. That is why I am anxious to have it done.

Mr. MARTIN: What the hon. gentleman has said is also my own judgment.

Mr. HERRIDGE: I was going to ask the same question that was asked by the other hon. member. I also am concerned with what sort of examination these immigrants are receiving on coming to this country. We want to be sure we do not permit people to come to this country who have tuberculosis or venereal disease.

Mr. FLEMING: What were the expenditures on this item?

Mr. MARTIN: Item 207 estimate 1946-47, $124,905; expenditure, 1946-47, $87,683; unliquidated commitments, 1946-47, $654.70.

Mr. FLEMING: On page 169 of the estimates we again have an item for temporary assistance which is about double what it was last year. Has that anything to do with overseas inspection?

Mr. MARTIN: Yes.

Mr. FLEMING: If so, is it adequate to meet the requirements for the present year, if the policy that was enunciated some time ago by the Prime Minister is to be translated into an increased volume of immigration, and if the teams that he spoke of are to be increased in Europe to examine the intending immigrants without undue delays? Is the minister going to ask for a supplementary appropriation later?

Mr. MARTIN: Yes.

Mr. FLEMING: Can he give any indication of what it might be?

Mr. MARTIN: At the right time, yes.

Mr. FLEMING: What is the amount?

Mr. MARTIN: At the right time I shall give it; I should not give it now.

Mr. FLEMING: Will it bear any relation to this amount?

Mr. MARTIN: Whatever will be done my hon. friend will think it is right, I am sure.

Mr. FLEMING: I doubt it.

Item agreed to.

National health branch—
208. Child and maternal health, $82,625.

Mr. FRASER: This item has been reduced this year. I would think that this is an item which would have been increased, since it has to do with child and maternal health.

Mr. MARTIN: The main decrease is in the item under educational and informational publicity. There is a decrease of approximately $34,000. The higher item in 1946-47 was due to the production of a sound film on maternal and infant care and film strips for this picture. The $46,000 for this fiscal year is to provide for a reprint of the "Canadian Mother and Child", and new publications on poliomyelitis and posture and care of premature infants, and so on. The decrease is largely a matter of adjustment on account of films.

Mr. FLEMING: I would ask for the expenditures on item 208.

Mr. MARTIN: Estimate 1946-47, $120,443; expenditures 1946-47, $86,437.74; unliquidated commitments 1946-47, $20,010.56.

Item agreed to.

National health branch—
209. Public health engineering, $149,507.

Mr. FLEMING: Will the minister give the expenditures?

Mr. MARTIN: Estimate 1946-47, $173,843; expenditure 1946-47, $121,387.19; unliquidated commitments, 1946-47, $9,497.20.

[Mr. Martin.]

Mr. IRVINE: I do not know whether the question I wish to ask can properly be put under this item, but perhaps the minister will permit me to ask it anyway. What is the health department doing with respect to arthritis?

Mr. MARTIN: That should have been asked under a previous item. I take it that the hon. gentleman could not have been in the house when I indicated what we are doing in this regard. This is public health engineering, but I did make a statement as to what we are doing about arthritis and what we propose to do. If the hon. member will look at *Hansard* of last Tuesday he will see what I said, and if he is not satisfied and will ask the question under some other item I shall try to get the indulgence of the committee to give the information.

Mr. MacINNIS: The title of this item is quite a mouthful. I am wondering how many members of the committee know what is involved in public health engineering. Would the minister explain it?

Mr. MARTIN: The purpose is to carry out a number of functions; first of all, to provide for active cooperation with the international joint commission in connection with the present investigation of the pollution of international boundary waters by the discharge thereinto of industrial waste and sewage; supervision as regards public health of railways, vessels, aeroplanes and other forms of transportation engaged in interprovincial and international traffic; supervision of the application of regulations, made by the international joint commission, promulgated pursuant to the treaty between the United States and His Majesty relating to boundary waters; supervision of the application of regulations pertaining to vessels navigating on the great lakes and inland waters, also on the coasts of Canada and regulations pertaining to common carriers engaged in international and interprovincial traffic; administration of Public Works Health Act regulations; cooperation with provincial authorities in all matters relating to sanitation; cooperation with other departments of the government of Canada regarding water supplies, sewage and wastes disposal, and other matters of sanitation; supervision of the shellfish industry regarding matters of health and export of shellfish from Canada to the United States; and cooperation with the United States public health service on matters of international sanitation.

Item agreed to.

National health branch—

210. Treatment of sick mariners, $399,926.

Mr. MacNICOL: When the minister replies I should be glad if he would tell us something about the activities of the department in this regard on the east coast, the west coast and on the great lakes, and just what hospitals, if any, sick mariners are sent to. I have no fault to find with the estimate. This is an important branch of the department and a very necessary one, but looking over the list on page 170 of the estimates, I notice one hospital guard. If we have many hospitals to which we send sick mariners there should be more than one guard. Further, I notice an item for certain services. I should like to have an explanation of that. Between the two of them they amount to $355,000. That is necessary money, but I am sure the committee would like to have an explanation of the whole programme of the department in connection with the treatment of sick mariners.

Mr. MARTIN: Does the hon. member want it now or later? It is a long story. I am prepared to give it, but possibly I could take note of the question and give a series of answers to many questions that have been asked.

Mr. MacNICOL: This is an important item. It is an item that I am interested in because of my connection with the navy league.

Mr. MARTIN: No one is more entitled to information on the item than the hon. gentleman. I will make a statement on it:

This service administers part V of the Canada Shipping Act, sick mariners and marine hospitals, to provide such medical, surgical and other treatment as the case requires to any sick mariner employed on board and belonging to a ship which has paid sick mariners dues during the current calendar year.

Revenue is obtained by a compulsory levy on the registered tonnage of a ship arriving in any port in the provinces of Quebec, Nova Scotia, New Brunswick, Prince Edward Island, British Columbia and Manitoba and Ontario on Hudson bay or James bay.

Applications for treatment are approved by the local collector of customs, who is also responsible for the collection of dues. Payment is made prior to the first fishing voyage of each season.

Vessels engaged in the coasting trade within the limits of one province are exempt from the payment of dues; also vessels arriving at any port in the province of Quebec from any port in the province of Ontario.

Hospitals are maintained at Sydney and Lunenburg, Nova Scotia, for the use of sick mariners. At other ports, hospital care is provided by contracts with local hospitals. Clinics, under full time medical officers of the division are maintained at Vancouver, B.C., Quebec, P.Q., Sydney, N.S., Halifax, N.S., and Saint John, N.B. At other ports, part time doctors are appointed to act as port physicians for this purpose.

Mr. MacNICOL: Does the department maintain hospitals under its own direction?

Mr. MARTIN: At Sydney and Lunenburg. At other ports the service is provided for by contract with local hospitals.

Mr. MacNICOL: Does the department own these hospitals?

Mr. MARTIN: Yes, at Sydney and Lunenburg, Nova Scotia.

Mr. MacNICOL: There is nothing in the estimates here referring to repairs to hospitals or to maintenance.

Mr. MARTIN: That is under public works.

Mr. MacNICOL: The minister also said something about the payment of dues. What about sick mariners for whom dues are not paid?

Mr. MARTIN: They all pay dues.

Mr. MacNICOL: I thought the minister said something about ships that have to pay dues. Why would it be necessary to use that expression?

Mr. MARTIN: Did I say that?

Mr. MacNICOL: I thought the minister did.

Mr. MARTIN: If I did it must have been a slip of the tongue.

Mr. MacNICOL: Do all ships have to pay dues?

Mr. MARTIN: Yes.

Mr. MacNICOL: Which means that all sick mariners are eligible to be taken care of.

Mr. MARTIN: That is right.

Mr. MacINNIS: In view of the minister's explanation in answer to the question asked by the hon. member for Davenport, I should like to know this. When have all ships begun paying dues and when have all sick mariners begun to be provided for out of these dues? Unless the change has been made quite recently, the minister has been misinformed.

Mr. MARTIN: I said: "Vessels engaged in the coasting trade within the limits of one province are exempt from the payment of dues; also vessels arriving at any port in the province of Quebec from any port in the province of Ontario." Has the hon. gentleman reference to the Canada Shipping Act?

Mr. MacINNIS: I took this matter up with the minister's predecessor last year. I tried to introduce an amendment to the Canada Shipping Act which would rectify what I regard here as a discrimination against sailors, particularly on the Pacific coast. A ship plying from Vancouver or Victoria to Seattle, or any other United States port is liable for the payment of dues, and pays dues under that section of the Canada Shipping Act. Sailors and other staff on that ship are entitled to have their expenses paid in case of accident or illness. The trip to Seattle from Victoria or Vancouver is a short one. The same ship, if it were sailing from Vancouver to Prince Rupert, does not pay dues, and consequently the sailors on that ship do not receive the benefits which are provided under this act. I think the department or the minister should consult with the Minister of Transport and see if that arrangement could not be made. Why should the crew on a ship sailing from Vancouver to Prince Rupert be outside the provisions of this act and the crew on a ship sailing from Vancouver to Seattle, or any foreign port there, come under the act? The same thing applies, perhaps to a more glaring degree, when you go to the maritime provinces. A ship crossing the Northumberland strait pays dues and the crew on those ships are entitled to receive these benefits. It seems to me that it is high time this discrimination was eliminated by appropriate legislation. I should like to have the minister's views on that.

Mr. MARTIN: I am afraid I cannot give any finality of view in this matter. I know the point which has been raised by the hon. gentleman; he raised it last year. The problem is one that would create a real difficulty. I have been giving the matter consideration and I have been discussing it with the Minister of Transport. My present view is that the matter is one that lies wholly within provincial jurisdiction; and the provinces are extremely jealous of the traditional power which, under the constitution, they have exercised over the years. I can only say at the moment that I am aware of the problem. I am not being purely formal in my reply, because I should like to do something about things which require doing. I am giving the matter consideration, but there is a difficulty involved.

The DEPUTY CHAIRMAN: Shall the item carry?

Mr. FLEMING: No. I asked for the expenditures.

Mr. MARTIN: Estimate for 1946-47, $341,823; expenditure for 1946-47, $358,281.09; unliquidated commitments, 1946-47, $1,069.14.

Mr. FLEMING: This branch earns revenue. Can the minister give us the revenue from its operation for the fiscal year ended March 31, 1947?

Mr. MARTIN: Revenue, $216,166.39; expenditure, $321,375.34 for 1945-46.

Mr. McLURE: Are there any special hospitals for the treatment of sick mariners?

Mr. MARTIN: I gave that. There are two institutions and, in addition, contracts are made with private hospitals.

Item agreed to.

National health branch—

211. Industrial health, $112,439.

Mr. MacNICOL: Most of the provinces have their own departments on industrial health. Will the minister tell us how his department cooperates with the health departments of the various provinces? They all have their own staffs.

Mr. MARTIN: Quite so.

Mr. MacNICOL: It seems to me that there is tremendous duplication.

Mr. MARTIN: There is no duplication whatsoever. We entered into that field on invitation. My hon. friend, who has been a member of this house for some time, will recall the great debate in this house urging participation by the federal government in this particular field. At a dominion council of health meeting, an organization which meets twice a year, and made up of federal department of health officials and health officials of the nine provincial governments, the latter requested that, as a coordinating body in this field, we should set up this particular division. It was done at their request, and there is no duplication of effort. It is a complementary effort to try to deal with what I know my hon. friend will recognize as an important problem.

Mr. FRASER: Educational and informational publicity has been cut $5,000, although the total item is only down $1,000. Transportation and travelling expenses are up $2,000. This whole item on industrial health is practically all publicity, is it not?

Mr. MARTIN: Oh, no.

Mr. FRASER: Just what does this department do? I thought it was an educational branch.

Mr. MARTIN: The functions of this division are as follows: first, it is responsible for educational, investigational and cooperative work with provincial departments in matters pertaining to the maintenance of health of the working population of Canada. Our power to act is under section 5 of the National Health and Welfare Act, paragraphs (a), (b) and (i).

I said a moment ago, in answer to the hon. member for Davenport, that our intervention in the matter came, pursuant to the section which I have referred, at the instance of the unanimous request of the nine provincial governments.

The division also acts as special consulting agency to the civil service health division in the matter of healthful working conditions within the public service. The industrial health laboratories—

Mr. FRASER: That is a separate item.

Mr. MARTIN: No. It is also under this. The industrial health laboratories are responsible for providing technical services in relation to investigation, research and cooperation with provincial departments within the terms of reference provided by section 5 (i) of the act.

The laboratories are also responsible for control of industrial health appliances under authority of the Food and Drugs Act.

Mr. FLEMING: Can we have the expenditure on this item?

Mr. MARTIN: Estimate for 1946-47, $113,151; expenditure for 1946-47, was $77,569.26; unliquidated commitments for the same period, $9,778.13.

Item agreed to.

National health branch—

212. Civil service health, $211,301.

Mr. BLAIR: I notice there is an increase of $31,000. Have arrangements been made for an X-ray survey of all the civil service? Is there a regular X-ray check-up of these employees?

Mr. MARTIN: As my hon. friend knows, this division has just been set up, and the assignment given the division is an important one. I can only say that plans are being made, within the availability of existing personnel, to meet that problem. It is the intention to try to standardize physical examinations, both for pre-employment and periodic review purposes. Such physical examinations will be complete, including wherever possible X-rays of the chest, ocular and dental examinations. On the basis of defects and disabilities found on these examinations, the division will undertake to advise the various departments of government on the suitability or otherwise of proposed employment and will be prepared to advise individual civil servants on the manner in which they can enjoy the best measure of health within the limitations of such defects or disabilities as may be discovered by such examinations. An effort will be made to look after these matters. We cannot look after the treatment of all the people in the civil service; obviously that is the function of the doctors, but there is work to be done prior to employment. That kind of work, together with what work can be done afterward, is being seriously considered now by an eminent man whom I am sure the hon. gentleman knows very well, and who has undertaken this important task.

Mr. McLURE: I do not quite understand this. The minister says it is a new service.

Mr. MARTIN: It is a new division.

Mr. McLURE: Will the civil service health examinations be for all civil servants, no matter where they are, as long as they are in the service of the government?

Mr. MARTIN: That is the broad intention.

Mr. McLURE: That will be carried out through the health branch in each province?

Mr. MARTIN: We will utilize our own clinics, D.V.A. facilities and doctors in the various communities, according to circumstances. That is all part of the expanded service.

Mr. FLEMING: May I ask for the expenditure under this item last year? ?

Mr. MARTIN: The estimate for 1946-47 was $180,078. The expenditure was $61,112.38, with unliquidated commitments for 1946-47 of $2,019.13.

Mr. FULTON: Since I was in another committee and unable to be here at the time, I am going to ask the minister if he will be generous enough to go back to item 206 and give a short statement of the work being done in the laboratory of hygiene.

Mr. MARTIN: I have covered all that.

Mr. FULTON: I understand that no outline of the work was given.

Mr. MARTIN: Yes, I covered that very carefully. I have had to refuse two similar requests from this side, and I could not do it

for one and not for another. If, following an examination of *Hansard*, the hon. member finds that the explanation given is not sufficient for his purpose, toward the end of the estimates I shall be glad to enlarge upon the question.

Mr. FLEMING: I wish to make a brief comment in connection with this item. We have just been told that the actual expenditure last year amounted to $63,000, in round figures. The amount appropriated by the house a year ago at the request of the minister was $180,000.

Mr. MARTIN: If my hon. friend will permit me I might try to save time by saying that this is a new effort, and when that estimate was conceived the staff had not even been selected. That is the main reason for the lower expenditure. I only say this because I think I anticipate the tenor of his argument and am trying to economize on time.

Mr. FLEMING: I still would like to offer this brief comment. The answer given by the minister is substantially the same as that given by his predecessor in 1946 and 1945. In each case it was a new branch.

Mr. MARTIN: It could not have been in 1945, because the branch was only authorized in September of that year. No, pardon me, I am in error.

Mr. FLEMING: We had it before us in the session of 1945, and we made provision for it. The programme outlined then was the same as the programme outlined now; and we were told the same thing in 1946. If the minister seriously expects that he will have occasion to spend $211,000 wisely on this work, then I think this committee is prepared to hear his case and make the money available if he proves his case. But a great deal more will have to be usefully done than was done last year with an expenditure of $63,000. What is being asked this year is three and a half times what was actually spent last year. Is this programme developing now to the point where an expenditure three and a half times greater than that of the fiscal year recently ended is to be required?

Mr. MARTIN: Every endeavour will be made to spend it properly, to realize the objectives and carry out the functions of the division.

Item agreed to.

National health branch—
213. Nutrition, $138,448.

Mr. FLEMING: What was the expenditure under this item, please?

[Mr. Martin.]

Mr. MARTIN: The estimate for 1946-47 was $162,992. The expenditure for 1946-47 was $132,343, with unliquidated commitments for the same period of $6,087.07.

Mr. KNOWLES: I just want to make the comment again that it seems to me there are too many reductions of too large an amount in the estimates for educational and informational publicity. I fear there is false economy, and I hope the minister will make sure that we are not losing something, in connection with a matter like nutrition, by cutting down on these expenditures.

Mr. MARTIN: I give my full assurance that the reduction does not in any way affect the purposes the hon. member and I have in mind.

Mr. FLEMING: Just on that point, I think it would be of interest to the hon. member for Winnipeg North Centre if at some appropriate time the minister would give us the actual expenditure, during the fiscal year just closed, on educational and informational publicity, as it is now called, or publicity and information as it was called last year.

Mr. MARTIN: I will do that.

Mr. FLEMING: The figures I gave earlier this evening were the estimated expenditures, not the actual amount spent.

Mr. MARTIN: I said I would do that.

Mr. FLEMING: Just a moment. I think it may be interesting to see whether the minister is really budgeting for a reduction in expenditure, as compared with the actual expenditure.

Mr. MARTIN: The minister is definitely budgeting for wise expenditure—

Mr. FLEMING: I know that.

Mr. MARTIN: —or for a reduction, whatever you wish me to say.

Mr. NICHOLSON: I think there must have been something wrong with the budgeting last year, if I may say a word in support of what my deskmate, the hon. member for Winnipeg North Centre, has said.

Mr. MARTIN: I have just explained that it does not represent any reduction in functions. Eleven thousand dollars of the amount asked for last year was to meet a commitment carried over from the previous year. My hon. friend may be sure I am not going to reduce this division if I can possibly avoid doing so.

Mr. NICHOLSON: Would the minister tell us the actual expenditures on educational and informational publicity last year?

Mr. MARTIN: Yes; $278,326.84.

Mr. NICHOLSON: That cannot be right, for there is an amount of only $61,627 shown in the estimates.

Mr. MARTIN: You want the break-down?

Mr. NICHOLSON: No. How much of the $61,000 allocated last year was spent?

Mr. MARTIN: Would you just let that stand so that we can pass on? I will give the information before the estimates are through.

Item agreed to.

National health branch—
Combating venereal diseases—
214. Administration, $37,875.

Mr. MacINNIS: I note that the estimate for administration has been reduced by nearly $9,000, and it was not very large in the first place. Is the venereal disease situation so well under control that any lessening of the activity of the department is justified?

Mr. MARTIN: As my hon. friend will know, this matter is primarily one which comes under the provincial authorities. Our interest in the matter is under section 5 of the National Health and Welfare Act, referring to supplementary assistance and coordination. The decreases do not represent anything in the way of fundamental functions, but are rather represented by transfer of personnel. For instance, in respect of one position for a medical specialist, advertised during October, 1946, it was found that of many applicants no one was judged to have the required qualifications. The position will be re-advertised with some revision of qualifications in the hope that it may be filled in the forthcoming fiscal year. That accounts, in part, for the item of $8,400.

Mr. MacINNIS: That means you will not have that specialist this year. I note that the bureau of statistics now reports in respect of these diseases, and I also note in the annual report for the year ended March 31, 1946—and I believe that is the last available—that the figures for 1945 are higher than those for 1944. Has the minister the figures for 1946?

Mr. MARTIN: There is some difficulty in giving those figures. My hon. friend is quite right when he refers to the bureau of statistics. But this is the Department of National Health and Welfare, and my officers take the position—and I must say I believe they are correct—that because these reports are not complete it would be giving an erroneous picture for the Department of National Health and Welfare, on what is not a complete report to give figures which might be misleading. That is the position my officials think we should take, and I think perhaps it is the proper one.

Mr. MacINNIS: The department has at least gone so far as to give figures. I do not say they are considered as being absolutely accurate. They realize that all these cases are not reported. But how are people to have a knowledge and understanding of the danger of these diseases unless they have statistics which will give them that information? If it is proper to give a figure for 1944—

Mr. MARTIN: That is a figure from the dominion bureau of statistics. To the extent they are helpful, our department uses those figures. However I have indicated that it is a matter of incomplete reporting. That is not the fault of the bureau of statistics; rather, it is the fault of reporting agencies throughout the country. An attempt is being made to try to perfect the system of reporting to a central office, so that we can be in a position to give a much more accurate set of figures.

Mr. MacINNIS: I did not ask the minister if the figures were those from his own department. I asked if he had similar figures. Has he figures for the year 1946 which will compare with these for 1944 and 1945? The question is a simple one.

Mr. MARTIN: Does the hon. member want the figures from the bureau of statistics?

Mr. MacINNIS: Yes, if you have them, for 1946. The bureau of statistics figures are the ones I have before me.

Mr. MARTIN: I will give them for 1946, as they are given by the dominion bureau of statistics; but I want to emphasize clearly that that is the source from which these figures come. The total venereal disease cases in 1946 is placed at 41,556. The reason I hesitate, as my hon. friend will understand, is that I cannot say too strongly that these are not based on a complete report.

Mr. MacINNIS: But there is no note to that effect.

Mr. MARTIN: But that is the figure by the bureau of statistics, not of this department.

Mr. MacINNIS: But I have before me the annual report of the Department of National Health and Welfare for the fiscal year ended March 31, 1946. It begins with a letter addressed to His Excellency the Governor General, and states:

May it please Your Excellency:

The undersigned has the honour to present to Your Excellency the annual report of the Department of National Health and Welfare, for the fiscal year ended March 31, 1946.

Respectfully submitted,
Brooke Claxton,
Minister of National Health and Welfare.

I wonder what the minister has in mind. Has he no confidence in the report of his department?

Mr. MARTIN: I have. My hon. friend knows me better than that.

Mr. MacINNIS: I am afraid I do not.

Mr. MARTIN: Well, this particular minister has taken the position I have stated tonight on the advice of those in the department who, I think, are in a position to advise. And in taking that position, I take it in the belief that it is the proper thing to do. I cannot say more than that. Should I give a report next year, my hon. friend will have to compare it in the light of what he has just read.

Mr. MacINNIS: Let us go into this farther. I understand that the Department of National Health and Welfare has had report forms made so that doctors in various provinces can fill in those reports and report those cases.

Mr. MARTIN: That is to the dominion bureau of statistics.

Mr. MacINNIS: Will the minister let me say what I have to say?

Mr. MARTIN: I am just trying to be helpful.

Mr. SMITH (Calgary West): There is nothing like listening to an expert.

Mr. MacINNIS: Well, if my hon. friend wanted to get the information perhaps he could be an expert, too. I imagine he is an expert in certain lines.

Mr. SMITH (Calgary West): If you wish to go farther, yes.

Mr. MacINNIS: At least he leads us to believe that he would want information. I do not want help from anyone who does not know anything about it. I am trying to get information from the minister.

Mr. SMITH (Calgary West): Accept information from any place you can get it.

Mr. MacINNIS: Yes, if I consider it correct. I have here the report of the Department of National Health and Welfare which sent out forms. All the provinces but one filled in those forms, and it is from them the bureau of statistics got their information. Does the minister say that next year, when he makes out his report, he is not going to give the people of Canada any information on the point?

Mr. MARTIN: I did not say that.

Mr. MacINNIS: That is exactly what the minister said.

[Mr. MacInnis.]

Mr. MARTIN: My hon. friend is one of the fairest members in the house. I know he would not say that. I am not refusing. But I am not going to give information, the full authenticity and completeness of which I am not satisfied with. I cannot say more than that at this time.

The estimate 1946-47 is $46,510; expenditures, $20,007.07; unliquidated commitments, 1946-47, $102.17.

Item agreed to.

Progress reported.

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

Thursday, June 19, 1947

The house met at two o'clock.

PRIVILEGE

MR. STEWART—REFERENCE TO ARTICLE IN TODAY'S "GLOBE AND MAIL"

Mr. ALISTAIR STEWART (Winnipeg North): I rise to a question of privilege. An article on page 10 of today's *Globe and Mail* is, in part, completely wrong. The part of which I complain reads as follows:

> When Mr. Stewart originally presented the petition, he said he did agree with the religious views of the Witnesses, but had undertaken to see that the petition sponsored by them reached parliament.

What I actually said was that although I presented the petition I did not agree with the religious views of those who sponsored it.

RENT CONTROL

COMMERCIAL ACCOMMODATION—EXPIRY ON MARCH 31, 1948

Hon. DOUGLAS ABBOTT (Minister of Finance): Mr. Speaker, I wish to announce that the government does not intend to ask parliament for authority to retain rental and eviction control on commercial accommodation after the expiration of the Continuation of the Transitional Measures Act, March 31, 1948.

The house will recall that on March 1 last, as part of the programme of orderly decontrol, certain items of commercial space, chiefly new commercial buildings, commercial buildings rented for the first time or for a term of three or more years, as well as commercial space which had been sublet, were removed from control.

At the same time a provision was made which would enable the landlord of any com-

mercial space to obtain a 25 per cent increase of the maximum rental by offering to his tenant a two-year renewal lease on certain terms and conditions. These measures provided a free bargaining opportunity with respect to a substantial proportion of commercial space, and experience has indicated that many landlords and tenants have taken advantage of it. It is now felt that it will be possible to effect complete decontrol of commercial accommodation next spring.

Amendments being made to wartime prices and trade board rental regulations to take effect immediately will remove from control vacant lots used for motor car parking or sales, as well as gas stations owned by oil companies.

In the field of housing accommodation the only change made provides for the removal of rental and eviction control from all new houses, apartments, duplexes and other self-contained buildings completed after January 1, 1947. This is felt to be desirable as an encouragement for the construction of housing accommodation for rent at a time when it is so urgently needed.

Mr. TUSTIN: Mr. Speaker, may I ask the minister a question on the statement he has just made? Is there to be no relief until next spring for returned veterans to secure their own properties?

Mr. ABBOTT: As I said a little while ago, the whole question of any possible relaxation of rental control with respect to necessitous cases has been under consideration for some time and is still under consideration. I am not yet in a position to make any statement as to what the result may be.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

P.E.I. CAR FERRY—CREW OF S.S. "ABEGWEIT"

Mr. McLURE:

1. What number of crew will be required for the S.S. *Abegweit?*
2. How many qualified captains; how many of other ranks?
3. Will any of the officers and crew of the S.S. *Prince Edward* be transferred to the S.S. *Abegweit?*
4. If so, what officers will be so transferred?
5. How many engineers of S.S. *Prince Edward* hold qualified certificates for the S.S. *Abegweit?*
6. Will the S.S. *Prince Edward* be kept fully manned as assistant ship for the service?
7. When will the crew of the S.S. *Abegweit* be given training for their new positions?
8. How long will this training be required?
9. How many guarantee engineers, or other officers from the ship builders, is required by law?
10. How long will such guarantee officers remain on ship?
11. What authority have the guarantee officers on ship?

Mr. CHEVRIER:

The Canadian National Railways advise as follows:—

1. Approximately 80, assuming three shifts operated.
2. (a) Two captains; (b) 78 of other ranks; working in shifts.
3. Yes.
4. Two masters, one first officer, one second officer, two third officers, one junior second engineer, one third engineer, three fourth engineers, one electrical engineer and one chief steward.
5. Six.
6. No, but will be stand-by ship and manned without delay when required.
7. Deck officers, engineering officers and chief steward now being trained. Chief engineer and chief electrician have been on ship since construction started.
8. Until ship goes into service.

In so far as the Department of Transport is concerned:—

9. None, by law. However, under contract No. 35497 between the Department of Transport and Marine Industries Limited, one guarantee engineer is to be appointed by the contractor to serve on board. In addition under an agreement between Dominion Engineering Works Limited and Canadian General Electric Company Limited a guarantee engineer, with respect to electrical installation, is also to be appointed.
10. Not longer than twelve months from date of delivery.
11. None.

WAR ASSETS—SALES TO MAYOR OF SALABERRY DE VALLEYFIELD

Mr. RAYMOND (Beauharnois-Laprairie):

1. Has the war assets corporation sold any property, real or person, to Robert Cauchon, mayor of the city of Salaberry de Valleyfield, or city of Valleyfield?
2. If so (a) what property; (b) what quantity of each kind, in each year; (c) what was the selling price in each case; (d) when and where did each delivery take place; (e) when was such property paid for?

Mr. McILRAITH:

1. Yes.
2. (a) The wharf in the parish of St. Timothée, county of Beauharnois with the land leading to the wharf was sold to Mr. Robert

Cauchon on or about October 24, 1946, but later the federal government department reporting the wharf and land leading thereto as surplus was not able to provide title deeds to the land. On this becoming apparent the sale of land only was cancelled on April 22, 1947, with no change in sales price.

(b) Only as in (a), in 1946.

(c) $150.

(d) Delivery was made on or about October 24, 1946.

(e) The property was paid for on October 21, 1946.

ST. TIMOTHÉE, QUE., WHARF

Mr. RAYMOND (Beauharnois-Laprairie):

1. Has the wharf in the parish of St. Timothée, county of Beauharnois, together with the land leading to such wharf, been sold?

2. If so (a) to whom; (b) at what price; (c) when was the payment made?

Mr. McILRAITH:

1. The wharf in the parish of St. Timothée, county of Beauharnois, with the land leading to the wharf was sold on or about October 24, 1946, but later the federal government department reporting the wharf and land leading thereto as surplus was not able to provide title deeds to the land. On this becoming apparent, the sale of the land only was cancelled on April 22, 1947, with no change in sales price.

2. (a) To Mr. Robert Cauchon.

(b) $150.

(c) October 21, 1946.

CANBERRA CONFERENCE OF COMMONWEALTH NATIONS

Mr. CHURCH:

1. Has Canada been invited to an empire conference at Australia regarding the Pacific question and the proposed peace treaty with Japan?

2. When is it to be held and where?

3. Has the government received a copy of the proposals of last February from General MacArthur and Dr. Evatt, or from the countries they represent, on this matter?

Mr. ST. LAURENT:

1. In replying to a question by the hon. member for Vancouver South (Mr. Green) on June 16, page 4176, I informed the house that there is under consideration a proposal for a conference of representatives of the commonwealth nations at Canberra toward the end of August to discuss the Japanese peace settlement. I added that if that is arranged I have no doubt that Canada will be represented at the conference.

2. Answered by No. 1.

3. So far as I am aware the only proposal with regard to the Japanese peace settlement made by General MacArthur in February last, was in an informal interview with a party of American editors and publishers reported in the press on March 1. General MacArthur made another and more widely publicized statement on this subject in a brief and informal talk at the Tokyo Correspondents club on March 17. The government has received copies of various press reports on these statements. The government has also received a copy of the speech on external affairs delivered in the Australian House of Representatives on February 26 last, by Dr. H. V. Evatt, in which, among other matters discussed, he made a strong case for an early peace settlement in the Pacific.

LOANS OR CREDITS TO OTHER COUNTRIES FOR PURCHASE OF CANADIAN GOODS

Mr. BRYCE:

1. To what countries has Canada made loans or made credits available for the purchase of Canadian goods and produce since January 31, 1947?

2. What are the amounts of such loans or credits?

Mr. MAYHEW:

1 and 2. No credits have been authorized to foreign countries since January 31, 1947. However, the total amounts advanced and encumbered to June 18, 1947, of credits authorized prior to January 31, 1947, are as follows:

	Authorized	Advanced	Encumbered
United Kingdom	$1,250,000,000	$690,000,000 00	.....
Belgium	100,000,000	56,000,000 00	.....
China	60,000,000	23,298,315 61	$10,484,165 13
Czechoslovakia	19,000,000	5,224,766 34	6,221,418 91
France	242,500,000	169,300,000 00	.....
Netherlands	125,000,000	87,139,461 56	.....
Netherlands Indies	15,000,000	6,700,000 00	.....
Norway	30,000,000	18,856,000 00	.....
Union of Soviet Socialist Republics	3,000,000	2,866,098 69	.....

QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPARTMENT OF PUBLIC WORKS—CHIEF ARCHITECT'S BRANCH

Mr. DIEFENBAKER:

1. How many employees, permanent and temporary, are there or have there been in the chief architect's branch of the Department of Public Works in each of the years 1943 to 1947 inclusive?
2. What are the names, rank and length of service of each of them?
3. How many of said employees have received promotions during the last four years and what increases in salary has each received in consequence thereof?
4. Have any of said employees received a war work supplement? If so, who, and how much was paid to each in each of the years 1943 to 1947 inclusive?

WARTIME HOUSING—EAST YORK TOWNSHIP

Mr. McGREGOR:

1. How many houses were constructed in East York township, county of York, by Wartime Housing, and what is the total cost of each home constructed?
2. Were any sub-contracts given out? If so, what sub-contracts and to whom?
3. Who was the general contractor, and what was the contract?
4. What is the present proposed or actual rental for each home?
5. What was the cost per unit of project overhead, and how was the same made up?
6. Who were the inspectors in the area; what was their term of employment and what were their salaries?
7. What qualifications did the inspectors have?
8. Have any complaints been received about the construction or state of repair of any of the homes? If so, what complaints were received?
9. On whose advice was the location for the homes chosen?
10. Who installed the various services such as street, sidewalk, water, sewer, electricity, or landscaping, and what was the cost of each?
11. What was paid for the land per lot, whether by way of purchase or rental?
12. Did any municipality contribute to any part of the project and what was the cost of such contribution?
13. What provision was made for schools in the area, or for the education of any children living in the area?
14. What are the details of any tax arrangements made with the municipality?
15. What are the details of the management provided for the project and the costs of same?

NAVAL SERVICE—DESTROYERS

Mr. McGREGOR:

1. How many destroyers have been built or are being built in Canada today?
2. By whom were they built or are being built and how many destroyers in each yard?
3. Did the government contribute to the costs of these ship yards?
4. If so, how much did they contribute to each yard?
5. Have any destroyers been completed?
6. What is the estimated cost of each destroyer?
7. Does this include the cost of their equipment?
8. If not, what is the estimated cost of further equipment for each boat?
9. What is the total expenditure to date on each boat?

BOOKS—DUTIES AND SALES TAX

Mr. KNOWLES:

1. Is there any duty on books brought into Canada?
2. If so, what is the rate and on what basis is said rate applied?
3. Is there any sales tax on books (a) produced in Canada; (b) imported?
4. In the case of imported books, is the sales tax applied to the duty as well as to the value of the book?
5. Are there any distinctions as between different kinds of books for customs purposes? If so, what are such distinctions?
6. Is consideration being given to the removal of customs duties from books (a) educational; (b) scientific; (c) religious; (d) others?

TORONTO ISLAND—DAMAGE BY HIGH WATER LEVELS

Mr. CHURCH:

What action has the government taken with regard to adequate shore protection after the serious damage done at Toronto island to the federal government's breakwaters and groynes from high water levels and the floods in cottages at Ward's and Centre island?

INSURANCE COMPANIES AND CHARTERED BANKS—INVESTMENTS IN FOREIGN COMMON STOCKS

Mr. CHURCH:

What were the losses incurred by each of the Canadian insurance companies and chartered banks in investments in foreign common stocks between the two great wars?

WHEAT BOARD

EXECUTIVE OFFICERS, ADVISORY COMMITTEE AND EMPLOYEES

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Last Monday, in reply to a question asked by the hon. member for Souris (Mr. Ross) regarding the personnel of the Canadian wheat board, I suggested that pending further inquiry the question might be made an order for return. I have since looked into the matter and I find that it would not be appropriate to furnish all the information asked for. I had intended speaking to the hon. member direct but I have been unable to do so as yet. I therefore ask the house to allow me to table a partial answer to the question.

SUGAR

ALLOCATION AGREEMENT—INQUIRY AS TO AVAILABILITY OF LARGER QUANTITIES

On the orders of the day:

Hon. GROTE STIRLING (Yale): May I ask the Minister of Finance whether he has any comment to make on the statement that there may be a larger quantity of sugar for distribution under the allocation arrangement of the nations?

Hon. DOUGLAS ABBOTT (Minister of Finance): No, Mr. Speaker, I have no comment to make. I promised the house about a week ago that I would make a statement shortly with respect to sugar, in the sense that I was asked whether we would change our rationing policy in view of what was contemplated in the United States. I expect to make that statement within the next week. Apart from that I have nothing to add today.

CIVIL SERVICE

USE OF WORD "COLOUR" IN QUESTION ON APPLICATION FORM

On the orders of the day:

Mr. ALISTAIR STEWART (Winnipeg North): I should like to ask a question of the Secretary of State. In view of the equal rights of all Canadians as citizens, regardless of creed or colour, why is the word "colour" used as question 17 in the civil service application form?

Hon. COLIN GIBSON (Secretary of State): The hon. member spoke to me about this question, and I have made inquiries through the chairman of the civil service commission. There is of course no doubt whatever as to the eligibility of all Canadian citizens, regardless of colour, race or creed, for appointment to the civil service. I understand from the chairman of the commission that the question on the application form as to colour is to enable the commissioners, when an application is received from a member of the negro race, to place the applicant in a position which will be congenial.

HALIFAX DOCKYARD

POSSIBILITY OF EDUCATION IN NUMBER OF CIVILIAN EMPLOYEES

On the orders of the day:

Mr. GORDON B. ISNOR (Halifax): In view of the statement made by the Minister of Reconstruction on Monday, June 16, and reported in *Hansard*, page 4208, in regard to H.M.C. dockyard, Halifax, employment, I wish to ask the minister the following question: When referring to men being laid off in the Halifax dockyard, did he mean the men laid off prior to March 31, or is a further reduction in civilian employees proposed?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): In my remarks in the house I referred to the lay-off that was discussed in the house last March. I did not in any way intend to imply that at present a lay-off is contemplated. I have made inquiries of my colleague the Minister of National Defence (Mr. Claxton) and I learn from him that no general lay-off is anticipated, either at present or in the near future.

OLD AGE PENSIONS

INCREASES IN AMOUNTS AND INCOME ALLOWANCE REQUIREMENTS—MODIFICATIONS OF ELIGIBILITY

The house resumed from Wednesday, June 18, consideration of the motion of Mr. Martin for the second reading of Bill No. 339, to amend the Old Age Pensions Act.

Mr. DONALD M. FLEMING (Eglinton): Those of us who listened yesterday to the speech of the Minister of National Health and Welfare, had we been able to dismiss all other thoughts from our minds, had we been able to dismiss from our minds all recollection of what had gone before in the way of government propaganda, must have thought that the millennium had come as we heard the minister dilate upon the alleged virtues and excellences of the bill he was presenting. But there must have been a rude shock—

Mr. SPEAKER: Order. I would ask hon. members to moderate their voices. I cannot hear the hon. member who is speaking.

Some hon. MEMBERS: Hear, hear.

Mr. FLEMING: It was with a dull thud, Mr. Speaker, that we turned back to the bill itself to see how far this puny measure fell short of the glowing description of it given by the minister. Again we are driven back to meditate upon the contrast between the fine words used by government ministers and the sorry performance that we see in actual fact, the usual contrast between the glowing praise they heap upon their measures and the disappointing reality of those measures themselves.

In the present measure, Mr. Speaker, we have a bill which will not only disappoint this house, if the house is free in all quarters to express its true opinion, but will bring profound disillusionment to many people in this country who had been led to expect some-

thing really substantial in the way of justice for our aged pensioners. They had been led to expect great things by the government's own propaganda.

There has been a great build-up for this measure. It has been going on for a long time, but it has been proceeding at an accelerated pace since the speech from the throne. Nearly five months have passed since we listened to that speech on January 30 of this year, when the government first announced this measure to bring relief in the form of increases to old age pensioners, and here, after waiting for five months, we are offered this puny bill, a meagre installment on account of the lavish promises of the government.

What has been done in the light of this bill is to perpetrate a cruelty upon old age pensioners in this country who were led to expect from it a reasonable measure of help. I wish to return to a theme I touched upon briefly yesterday, because in this bill, and in the reasons given by the minister in his speech yesterday for seeking the support of the house for the measure, we see the government turning its back upon a position which has been recognized by parliament and by succeeding governments since 1931, namely, that the primary responsibility with respect to old age pensions and the provision of those pensions rests upon the federal authority and not on the provinces.

I refer to the fact that that principle has been embodied in our statute law since Mr. Bennett put it there in 1931; seventy-five per cent of the pension has been paid at the expense of the federal treasury. But in what the minister had to say yesterday, a clear attempt was betrayed—

Mr. SPEAKER: Order. I am sorry to have to interrupt the hon. gentleman, but it is impossible to hear him. There is too much noise in the chamber, and it is disagreeable not only to the member who is trying to make himself heard but to others who are listening and trying to hear what he has to say. I would ask hon. members to be good enough to refrain from conversation.

Mr. FLEMING: I was saying, Mr. Speaker, that the speech of the minister revealed an apparent determination on the part of the government to cast responsibility on the provinces with respect to meeting the needs of our aged people. What is the situation under this bill? Yesterday we heard, from both the minister and the hon. member for Spadina (Mr. Croll), words of praise heaped upon the provinces which have been going farther than others in supplementing the inadequate old age pension to which the dominion has been contributing. Why? These are the provinces which were pictured by the minister and the hon. member for Spadina as setting an example which ought to be followed by the other provinces. In other words, the provinces are now to be asked to assume the ultimate responsibility with respect to old age pensioners. It is implicit in what was said yesterday in this house by the minister and the hon. member for Spadina, that the pension—even with the slight increase offered in this bill to the pension to which the dominion will contribute seventy-five per cent—is inadequate and therefore the provinces must make good any inadequacy. In holding forth that contention I say that this government is turning its back upon a principle which succeeding governments have acknowledged and which parliament has recognized ever since 1931.

Not only that, but this government is turning its back on and making a complete retreat from the proposals which it made to the dominion-provincial conference in 1945. The leading feature of those proposals with reference to the provision for the needs of the aged that the dominion should assume full responsibility for providing a pension of $30 a month without a means test to every person seventy years of age and over in Canada. Where is that principle today? This government has turned tail, has cast aside that principle and has made a complete retreat from it. It is absolutely idle for the Minister of National Health and Welfare to stand in his place, as he did yesterday, and have the temerity to say to this house that the government is keeping within the framework of its proposals of 1945. The fact is that this government has cast that principle and these proposals overboard and has beat a retreat from them.

Mr. MARTIN: Not at all, and the hon. member knows it.

Mr. FLEMING: The minister cannot expect to change the facts simply by having his tongue wagging incessantly in this house and interrupting hon. members.

There is in the bill before us another illustration of this retreat. Is it realized by the house that by inviting the provinces, as the dominion still does in this bill, to supplement an inadequate old age pension contributed to in part by the dominion, the dominion is saying in effect that if the result of the old age pension with the provincial supplement and earnings is to bring the pensioner's income to over $600 a year, the reduction which will be made does not fall on the provincial supple-

ment, does not fall on the earned income, but comes off the dominion pension? Let us take an example of that. Suppose an old age pensioner earns $250 a year at odd jobs. The maximum pension is $360. Let us say the province in which he lives contributes a supplement of $5 a month, or a total of $60 a year. The total income of that pensioner would be $670 over the year. What becomes of the $70? That is taken from him. Is it taken off the provincial supplement? No; it is taken off the pension to which the dominion is contributing; and the more the provinces contribute by way of supplement in a case such as this where a pensioner earns some additional income, the more they are contributing to a reduction of the dominion pension. That is a fine state of affairs.

Mr. MARTIN: May I ask one question?

Mr. FLEMING: Well, I am told that I have only about ten minutes left.

Mr. MARTIN: It is an important question. In view of what the hon. gentleman said yesterday, does he know if it is true that the premier of Ontario as a result of the discussions in this house has raised the contribution to the extent that the pension is now $40?

Mr. MERRITT: This is a speech.

Mr. FLEMING: I am sure if the fact is that the premier of Ontario has announced that it is the intention of the government of that province to increase the supplement offered by the province to eke out the inadequate dominion pension, it is not as a result of anything which the federal government has done by way of providing for the old age pensioners, but is a burden which has had to be assumed by the provincial government as a result of the failure of this government to measure up to the responsibility which it has recognized since 1931, which it recognized again in 1945 and has turned tail on since.

We shall not soon forget, Mr. Speaker, that the dominion government increased by $5 a month, by order in council in 1943, the old age pension which then was only $20 a month, only after they had been driven to it by demands from all parts of the country. The same situation exists today. This meagre advance which they have proposed in the pension has been brought about only as a result of widespread demands throughout the whole country. It is the old story of this government being roused from its inertia only when it is driven. Apparently it must remain for those who sit on this side of the house, as well as for informed opinion throughout the country, to drive this government as long as it is in office and then at the first opportunity turn it out and make way for a government which will measure up to its responsibilities.

Mr. MACKENZIE: You tried it.

Mr. FLEMING: Mr. Speaker—

Mr. MACKENZIE: You tried it several times.

Mr. FLEMING: It seems that the Minister of Veterans Affairs (Mr. Mackenzie) is in the debate again. I should like to remind him that the government of his province—and he was boasting yesterday about the record of his province—said that it was increasing the old age pension in that province several months ago as a temporary measure while they were waiting for the dominion government, of which he is a member, to do something adequate.

Mr. MACKENZIE: I may tell my hon. friend that we led the way as usual.

Mr. FLEMING: Knowing the record of this government as we do, the house will be able to add two and two together and make four. Putting the speech of the Minister of National Health and Welfare of yesterday with the speech made by the Minister of Finance (Mr. Abbott) in this house on March 28, I think it will add up to this, that the provinces which have been induced to come into agreements have been forced to buy a pig in a poke, and this is as much as they may expect to get by way of old age pension. Here is what the Minister of Finance had to say in this house, as reported at page 1841 of *Hansard*, when he was asked what was the meaning of the statement which he made in Toronto—

Mr. MACKENZIE: Order.

Mr. FLEMING:—when he said—

Mr. MACKENZIE: Order.

Mr. MERRITT: Paraphrase it.

Mr. FLEMING: I am referring to a speech by the Minister of Finance.

Mr. MACKENZIE: The hon. member must not quote from a debate of the present session.

Mr. FLEMING: He said that the dominion government would have to take account, in coming to negotiate with the provinces with reference to social security measures, the increase that the dominion had given in its successive offers to the provinces with respect to tax agreements, and the increase in the last offer was $26,000,000. The Minister of Finance intimated at that time that when the dominion government comes to sit down with the provinces and discuss a comprehensive system of

social security, if it ever does, that $26,000,000 would be taken into account. Now you have the answer in the speech made yesterday by the Minister of National Health and Welfare.

Mr. MACKENZIE: A good speech, too.

Mr. FLEMING: These provinces which had been led by the dominion government proposals of 1945 to expect that the dominion was going to honour those proposals and assume the entire cost of old age pension for persons of seventy years and over without a means test, find that now they may expect to have the load cast upon them and that the ultimate contribution of the dominion is to be seventy-five per cent of the pension of $30, with the continued means test. There, it seems to me, you have the complete explanation, putting two and two together. And of course the dominion government, politically astute as it is, is now seeking to cover up the tracks it made in retreating from its proposals. It has cast about for a scapegoat, and is trying to find in the governments of Ontario and Quebec that scapegoat to excuse the dominion government for its failure to honour its own promises made in 1945. It will take a lot more than the kind of guff that was perpetrated upon this house yesterday by hon. members opposite, including the minister, to satisfy any sensible person in this country that the responsibility of the federal government for failure to honour its obligations rests upon anyone except the federal government itself.

Mr. THOMAS REID (New Westminster): Mr. Speaker, in rising to take part in this debate my first words are of congratulation to the Minister of National Health and Welfare (Mr. Martin) for the splendid speech he delivered the other day and for his outline of the entire history of old age pensions right from its inception, together with the steps in social legislation which have been taken by the Liberal government of this country right from 1927 to the present date. As I sat here yesterday afternoon listening to the discussion I wondered if once again the old people of this country were going to be deluded by some of the speeches delivered by the opposition the other day; if once again this important subject was going to be made a football by the opposition, in an attempt to ride into office on the backs of our senior citizens. So today I am warning our senior citizens to take some of the statements made here yesteray afternoon not with a grain of salt but with a quantity of salt, because some of them were simply preposterous.

I am sorry the leader of the opposition (Mr. Bracken) and the leader of the C.C.F. party (Mr. Coldwell) are not here, at the moment, because I have something to say about their speeches. Referring first to the remarks of the leader of the official opposition, let me say to the hon. gentleman and his followers that some of us are just wondering—though we are glad it has happened—why Colonel Drew has just seen fit to increase the pension in Ontario to $40 a month. They may say it has not been expediency, that it has not been pressure, that it has not been because of this bill. But why has he delayed until this late date in giving the poor people of the province of Ontario that to which they have been entitled for a long time?

Mr. FULTON: Why did the dominion government delay until this late date in giving them anything?

Mr. REID: My hon. friend does not see the point. After a great deal of pressure, and after having a look at this excellent bill, this morning Colonel Drew saw fit to rush in and get on the popular band wagon, so to speak, by giving the people in Ontario what he knows they should have had long ago. When I was a boy there was an old precept, to the effect that he who is faithful in that which is little is faithful also in much. As I heard the speech of the leader of the Progressive Conservative party, in which he wilfully endeavoured to chide this government for a reversal of its policy—about which I will have a word to say later—I could not help wondering about the poor people who left the province of Manitoba during his years as premier, and who told me about the terribly meagre allowance on which the government of which he was head was giving the aged citizen of that province. He was in office then; and so I am asking the people of this country not to judge a man entirely by his words but to judge him by his actions. I repeat: he that is faithful in that which is little is faithful also in much.

Mr. IRVINE: He was a Liberal then, was he not?

Mr. REID: He was a Liberal, so-called.

An hon. MEMBER: What are you?

Mr. SPEAKER: Order.

Mr. REID: Oh, they can call names if they like; it may confuse but it will not help the aged people of this country one iota. Let them go to it. Let the country realize that they are more interested in calling names and trying to howl me down than in hearing a discussion of this important question.

Mr. FLEMING: You are calling the leader of the opposition names.

Mr. REID: To continue with what the leader of the official opposition stated yesterday, in my opinion the half truths that were stated by him and by the speaker who followed today are more dangerous than whole truths. They may be termed by them political truths, but in truths' name it is not true, because here is the statement made by the minister on behalf of the government, at page 4283 of *Hansard* for yesterday:

> It is important at this stage to recall the proposals the federal government made in August, 1945, to the provinces with respect to a programme covering national health, public investment and social security. These proposals include a suggested scheme for a national old age pensions and old age assistance programme of a fundamental character.

Then on another occasion he said:

> Pending final consideration of these proposals at the appropriate time, when it is possible to join with the provinces in consideration of our joint social security responsibilities, it is not the desire of this government to embark upon any programme which would jeopardize in any way the eventual implementation of these objectives.

In the face of those words how can any man honestly say there is now any reversal of government policy in this bill? It simply is not true; it is not according to the facts. I well remember listening to the great debate from across the other side of the house regarding what we were doing to the provinces when we suggested we should go to London and ask for a change in the British North America Act. Each and every member of this house knows that under the British North America Act the provinces have certain rights and jurisdiction, and, as the minister rightly says, they are extremely jealous of them. Would the leader of the Progressive Conservative party, if he were sitting on this side of the house, deliberately do other than this government has done? Oh, no; the speeches that he would make if he were in office would be far different indeed. So I say to hon. members that they should not be carried away too much by some of the utterances which have come from the opposition so far.

Now I want to say a word or two with regard to the leader of the C.C.F. party. An hon. member reminds me about the promises that were made by Mr. Bennett. I am not going to talk about those promises; I am not going to hold the leader of the Progressive Conservative party to promises made by others years ago. Those promises could be quoted, but I am not going to waste time doing so, because that is all water under the bridge, and I believe there are more important things to speak about. To come to the statements made by the leader of the C.C.F. party, I agree with some of the things he said. In his opinion the pension should be the same in every province, and I entirely agree. Personally I think it should be national in scope. But the hon. member did introduce a remark about New Zealand, about the low cost of houses to rent in that country, and so on. Conditions in New Zealand is one subject to which I have given a little study. The other day I made a suggestion which I thought perhaps the hon. member had taken to heart, but evidently he did not. I suggested that the true guide in relation to actual costs in a country is how much labour a man has to expend for a suit of clothes, for his food, and so on. Yesterday something was said about the low rentals being charged in New Zealand. Well, one has only to remind hon. members that New Zealand farmers are getting far lower prices for their butter fat than are the farmers in this country, and have to pay two or three times as much for their machinery as our farmers pay. I have before me the official records, in case anyone doubts my statement. The price of butter in Canada at the present time averages 40 cents per pound. I have in my hand the latest dairy records of the dairy association of New Zealand, which is an official publication, and there the average price is around 31·48 cents per pound.

Mr. NICHOLSON: What is the cost of producing it?

Mr. REID: The cost of producing it? If they were paying in butterfat for some of the things they have to buy they would just have to pay about one and one-half times more in New Zealand than the Canadian farmer would have to pay. I will just give those figures.

Mr. NICHOLSON: It is an entirely different climate.

Mr. REID: I would like to have the whole afternoon to talk with the hon. member about New Zealand and Canada. I say that because I am proud of what this country is doing; I am not one who dangles something before our people, either, about what is being done in Russia or in any other country. I say there is no better country than Canada, and in no other are they in as good a position as we are in this country.

In that connection let me give just one more figure—and perhaps this will hold for a time the hon. member who interrupted. In 1943, if a farmer in New Zealand were buying a tractor plough of the same make and variety used in Saskatchewan or Manitoba, he would have had to put up 570 bushels of

wheat, whereas in Canada the farmer in Manitoba or Saskatchewan would have been called upon to put up only 180 to 200 bushels, for the same kind of machine. That is quite a difference. We could spend the whole afternoon on New Zealand.

Mr. WRIGHT: Has the hon. member the figure for 1947?

Mr. REID: No, but I will tell you what I will do. You can ask about New Zealand in any year you like, and I believe I can show you that this country is much better off.

Mr. NICHOLSON: Are you proud of the Canadian old age pension plan?

Mr. REID: So far as it goes yes; and I will add that this process of making comparisons with other countries is not helping our aged people at all. Canada has treated its aged, destitute and other needy people better than any other country or government in the world. I realize that it does little good to make comparisons because we are not particularly interested in what other countries are doing. We are interested or should be more in what we are doing for our own people.

Mr. WRIGHT: Why not talk about it, then?

Mr. REID: Well don't interrupt so much. I will take you on with respect to New Zealand and a comparison with the country any time. I am proud of Canada and conditions generally here.

Then mention of Great Britain was made by the leader of the C.C.F. There again the same thing enters into the picture. I have before me the last statement of wages paid to the people in London. This is an official record right from Britain. I shall not take up a great deal of time to deal with it, other than to say that the highest wages paid to metal engineers in the shipbuilding trade works out at around $100 to $110 per month. Compare that with the wages paid in this country to our mechanics—and when doing so let us not overlook the fact that in England they work 47·4 hours a week compared to an average of only 44 hours.

I now pass on to something else. We are all I trust in favour of lowering the age limit somewhat, and increasing the pension further. But certain facts must be faced. None of us is entirely content with what the government has brought down, but we realize nevertheless that it will be of great assistance to our aged people. At this point I am going to urge upon the minister something which I am surprised to say has not thus far been mentioned in the debate. I suggest that when seven provinces of the dominion have come to a financial agreement with the federal government, steps should be taken then by the government to implement complete social security. I ask that, and I feel sure that if that step were taken the other two provinces would not be long before they joined.

Something should be said about the means test. Anyone who has spoken to our senior citizens realizes that the means test is one of the things which should be certainly done away with. I realize it is of no use to tell our aged citizens that in all countries in which we find a system such as we have in Canada, the means test prevails. There is no country—and this includes Great Britain, Australia and New Zealand, and all other countries which have social security measures—which does not have the means test. Personally I am in favour of doing away with it, because I believe that the sooner we get to complete social security for all our people, the better it will be for all.

I believe the heaviest burden falls on the women of this land. I am sure every hon. member has met women of fifty, sixty or sixty-five years who are ill or whose husbands have passed on and left them in straitened circumstances. There is no hon. member here who has not met persons who have not dissipated their earnings, or what little means they had, but who in after years have found themselves dependent upon their families or on charity. In many instances there are no families upon whom they can depend, and so must depend upon some organization to help or tide them over to the end. I am sure every hon. member could say he has met with many cases such as I have described. Therefore I say no one person, or no one member of any party, should claim that his party is the sole champion of the unfortunate and the aged.

I look forward in the near future to a far better deal for our aged citizens. For a moment of two I shall place before hon. members a few important figures. According to the latest figures given by the income tax branch, out of a total of 4,101,980 workers receiving incomes, 3,449,990 earn $2,000 or less per year. In other words, if one goes further into these figures he finds that only fourteen per cent of the people are earning between $2,000 and $5,000. Then, those who talk about soaking the rich must bear in mind that while perhaps there are a few well-off people in this country, the number is not as great as some would have us believe. There

are about 47,000 with salaries ranging between $5,000 and $10,000 a year; and 14,307 with salaries between $10,000 and $25,000. Those with more than $25,000 number only 2,750.

I am not particularly interested however at this time in the higher income brackets, because the income tax branch takes care of them—it takes care of them fairly well indeed. However I am more interested in those in the low income groups. We find that in 1943 there were 524,696 earning less than $1,000. To me those are startling figures. I cannot visualize a young man marrying and raising a family under those circumstances, who could find himself with anything at all left to take care of his old age.

I say that when one realizes these facts he cannot help rising in his place in the house to champion the cause of the less fortunate who have never had enough in this life to save for their later years. I should like at this point to read one paragraph from a letter—and I believe it should be read, because to my mind it is important. First of all may I say the giving of pensions as a means of social security is a good thing particularly because it lengthens the lives of those who are up in years. The letter I have before me is from Mr. Creighton, who is in charge of the administration of old age pensions in British Columbia. He says:

> On more than one occasion observant officials of old age pensioners' organizations have remarked that the lives of many of their members have definitely been lengthened by the receipt of the pension. They assert with evident conviction that this is due to the added sense of security which even this modest income gives them. These expressions of opinion, and the awareness of the rapid lengthening of the life-span of people generally, interested us in doing some research work to find out how well British Columbia pensioners really are doing relatively in the race for longevity.

He proceeds to point out that a survey was made, and it was found that in 1928, the year the pension was first paid in British Columbia, there were 210 male pensioners who died at an age of about seventy-seven years. In 1944 the figures show that of 810 male pensioners who died, the average age was something more than seventy-nine years. They come to the conclusion from these figures that the pension has had the effect of adding about two years to the life-span of these aged citizens.

One could go on setting out the benefits of social security measures, and especially old age pensions to our senior citizens. Another striking example of what social security can do is found when one looks at the life span of members in the other place. I have seen them go in there sick and half bent over, so much so that you would think they would not last long, and the week after their appointment you would hardly recognize them; the way they would revive was just wonderful. It seems to lengthen their span of life. If that can be done for those who in most instances are fairly well off, just what will it do for the under-privileged?

I am sorry in a way that the leader of the Progressive Conservative party made a comparison between raising the members' indemnity and old age pensions. However, I noticed that he did not get up and denounce the increase when it was brought in, nor did he say that he would not take it. Nor did I hear him say one word about the $2,000 being tax exempt. I am willing to go just as far as he, and if he wants to have it taxed I will support him. I believe it should be taxed. But he never said a word. Now he gets up and makes a comparison which I think is not exactly fair.

As to increasing pensions the question may be asked: Can we afford it? Of course we can afford it. In Switzerland they have a wonderful philosophy. In that country they sacrifice something in peace time rather than wait until a war comes. This country of ours made great sacrifices during the war and did its full share. Perhaps it did not do as much as Great Britain and other countries, nevertheless our people rose to the occasion during the war. If we had the philosophy of Switzerland and were willing to do a little more in peace time, I believe our nation would be the better for it.

Let us look also at our bank balances. I am not saying that bank balances represent our true wealth, because after all, real wealth consists of labour and material things. In 1939 there were 4,846,000 depositors with $2,530,200,000 standing to their credit. In 1947, in spite of all the cry against this government that we had gone to the demnition bow-wows, some 6,902,000 depositors had to their credit $5,803,445,396, more than double the amount of 1939. When one considers those figures one cannot but come to the conclusion that this country can afford more for our aged. We have afforded it for our children; why not afford it for our aged people?

In British Columbia the unemployment insurance people made a survey of those seeking employment, and they found that life is getting more difficult for people in the forty-five years and over age group; it is harder for them to get employment. Perhaps we are losing sight of the principle that the life of every individual who reaches a certain age

should be used, not just spent. We are not doing our duty fully by providing old age pensions alone. I believe we are drifting to the time where the aged people may become the forgotten men and women. We will have to take note of the conditions under which they live, and of course provide an adequate amount upon which they can live.

Because of superannuation and annuity schemes many business concerns today are reluctant to engage people who are forty-five years of age or over. In the government service, where superannuation applies to all permanent employees, age may be a determining factor in employment. There is a place in life for people of all ages, provided they are competent. I have just been reading a booklet put out by the Department of National Health and Welfare which is under the jurisdiction of the minister in charge of this bill, from which I should like to quote as follows:

> Fitting the older worker into gainful employment is becoming more urgent every year as the age composition of our population changes. In 1971, it is estimated that more than five million Canadians will be over 45 years of age. At that time, 36 per cent of the population will be in this age group as compared to 26 per cent today.

I think we could very well take stock of what has happened in Great Britain. In that country it has been estimated that only some eighteen per cent of the workers are carrying the entire nation—a staggering figure. I am warning the people of this country not to let us go so far in that direction that our younger people will be carrying the entire nation. We must take steps to see that useful employment is provided for all who are able to work. The very fact that superannuation and annuity schemes are becoming so popular is evidence that the people of this country are social security minded. I am just afraid that we may be drifting in the same way as Great Britain has drifted. Some evidence was given before the immigration committee, and if hon. members wish to look this up they will find it on page 207 of the proceedings of that committee of Wednesday, May 14. A most interesting table was given by Mr. Forsey of the Canadian Congress of Labour, I believe, which shows that in 1921, 2·8 per cent of our population were seventy years of age and over and that by 1941 this percentage had increased to four per cent. I merely mention these things to bring home to our people that something more than merely providing pensions will have to be done. We shall have to take stock also of a class of our citizens who are below sixty or sixty-five years of age and who are unable to find employment because of the age limit restrictions of superannuation schemes which have been put into effect by dominion and provincial governments and many industrial employers.

I see my time is going on, but before resuming my seat I want to say that in my opinion we should have or aim at an old age pension of not less than $50 per month and $75 per month retirement allowance under a social security scheme. No one in the house has ever quoted figures to show whether $40, $50 or $60 is enough. There are some in receipt of pensions who may be able to get by nicely, but there are many of our citizens who have rent to pay, who have food and clothing to buy who certainly cannot get by in our towns and cities on less than $50 a month or more.

I have no apologies to make for getting up in my place and advocating increased pensions for senior citizens, which should be the same in every province. The rate of $50 a month is not too much and that should be our aim, with at least $75 a month under a social security scheme for those who are deprived of employment, with the means test removed and with a lowering of the present age limit.

Mr. STANLEY KNOWLES (Winnipeg North Centre): Mr. Speaker, when we strip the verbiage to which we were treated yesterday by the Minister of National Health and Welfare (Mr. Martin) from this debate, together with all the argument and crossfire we have had since, the simple fact is that this House of Commons now has before it a proposal that $30 per month be made the basic old age pension for Canadian citizens. That implies that we in this house, intelligent, responsible representatives of the people, are to be asked to approve the suggestion that old people can live on $30 a month. Mr. Speaker, it simply cannot be done.

Mr. MARTIN: No one ever suggested that.

Mr. KNOWLES: I am glad to hear the Minister of National Health and Welfare make that interjection. In other words he knows himself that it cannot be done, as does every hon. member. I want to say, Mr. Speaker, that after you have used such words as the minister used yesterday, when in one place he said "ultimately" and in another place he talked about long range plans, about moving stage by stage and not upsetting the balance of the social security plans, about doing things within an over-all framework, and so on—after you have heard all these words, after you have listened to the pounding of desks, such as we heard during the remarks of the last speaker,

the plain fact still is that we have before us a proposal for an old age pension which is disappointing and utterly inadequate to enable our elder citizens to live in comfort, indeed to live at all.

Last year the present minister of national health and welfare was Secretary of State. In that capacity he had the honour and the privilege of piloting through this house an historic piece of legislation which makes it possible for us to be known as Canadian citizens. It seems to me that he should be hanging his head in shame to have to bring into the house this year a proposal that Canadian citizens, when they reach the age of seventy, be asked to live on $30 a month. It is an insult to citizenship; it is an insult and an affront to the members of parliament to bring such an inadequate measure before us. The Minister of National Health and Welfare knows, as well as all the rest of us in the house do, that this amount is inadequate, and I am sure that he knows from experiences of his own how distressing poverty is in the lives of old people. I am certain that in the cabinet he must have fought for something better than this. It seems to me that he should not be willing to continue in a government which asks him to stand by a measure so inadequate.

During the past number of months we have had a great deal of publicity leading up to this measure. We had the promise in the speech from the throne on January 30 that the Old Age Pensions Act was to be amended, and then we had a definite promise from the Prime Minister (Mr. Mackenzie King) on February 4. On that occasion he was not able to tell us just when this measure would be before us, but he did say that when it came down it would include all that we had then, on February 4, and something more. Well, I suppose there are those who will argue that $30 is more than $25; but as a matter of fact, Mr. Speaker, in terms of the cost of living today as compared with what it was a few months ago, $30 today is not worth as much to old people as $25 was on February 4. I submit that in practice that promise has been broken. Our old people are not to get more than they had on February 4. In terms of food, clothing and shelter, they are to get less than they had then. It seems to me, therefore, that this was no occasion for the boastful kind of speech we had from the Minister of National Health and Welfare yesterday; it was an occasion on which he should have come into this house in sackcloth and ashes.

The bill which is before us and the speech which was made yesterday by the minister make two obvious admissions. Those two admissions are made in two ways. First of all there is the admission that $30 a month is not enough. That admission is made by the fact that the ceiling on the total income of old age pensioners is raised by this bill to $50 for a pensioner living by himself and to $90 for a married couple. I submit that these figures, $50 for a single pensioner and $90 for a couple, should be made by this government not a ceiling but a floor. The government should be coming before this house with a proposal to guarantee that our Canadian citizens, given the right last year to call themselves such, when they reach the age of not seventy but at least sixty-five should be guaranteed that for the rest of their days they will not fall below the standard of living which could be obtained at these figures.

The admission that $30 a month is not enough is also made in the appeal that the Minister of National Health and Welfare made yesterday to the various provinces. He appealed to the provinces that already have certain supplements in effect to continue these supplements; he appealed to other provinces to add to the $30, a frank admission that this government is not discharging its responsibility to our elder citizens, because he asked that the provincial governments take on part of that responsibility.

Mr. MARTIN: I made no such appeal.

Mr. KNOWLES: I suggest to the minister, who seems to be enjoying putting the remaining part of his speech in the speeches of other hon. members, that he go back and read his speech and see what he actually said.

Mr. MARTIN: I made no such appeal, and the hon. member knows it.

Mr. KNOWLES: The other admission that is given in the minister's remarks of yesterday is this, and I suggest that it accounts for the bombastic way in which he presented this measure to the house. The admission is that so far as the old people of the nation are concerned, at least those in the four western provinces, this measure does not provide any increase at all unless the provinces continue to pay their supplements. This amending bill sets a basic pension of $30 a month.

Mr. MARTIN: No, it does not do any such thing.

Mr. KNOWLES: As a matter of fact in one sense the minister is correct. It does not even guarantee that there will be a pension of $30 a month.

Mr. MARTIN: You have not read the bill.

Mr. KNOWLES: I have read the bill carefully.

Mr. MARTIN: I shall give you a lesson later in the evening.

Mr. KNOWLES: The bill, Mr. Speaker, does not—in legal language—provide any basic pension; it does say that the federal government will pay seventy-five per cent of $30 a month, or of what the province pays, whichever is the lesser. In other words a province can pay $20 or even $10 a month under this new act and it would be in keeping with the language of the bill itself.

Mr. MARTIN: Read the bill again.

Mr. KNOWLES: We shall be reading it during the committee stage and I hope to goodness that we can get some changes made in it. But, as a matter of fact, as I was just saying, the minister knows that unless in the case of Manitoba, Saskatchewan, Alberta and British Columbia, they continue to pay their supplement there is no increase at all as a result of this bill, because in these provinces $30 is already being paid as the maximum pension.

I may say also, Mr. Speaker, that the minister knows that there will not be any increase in the eastern provinces, in Quebec and the maritimes, if you like, unless they agree to the increases.

Mr. MARTIN: That again is not true.

Mr. IRVINE: What is true?

Mr. KNOWLES: I am beginning to doubt the minister's understanding of the bill that he has brought before us.

Mr. MARTIN: I cannot give the hon. gentleman understanding.

Mr. KNOWLES: The bill clearly says that the federal government will pay seventy-five per cent of $30 a month, or of what the province pays, whichever is the lesser. That means for example, that Quebec or New Brunswick can continue, by agreement with this government, to pay $25 a month and draw seventy-five per cent of that amount. There is no guarantee that $30 will get to the pensioners in these provinces through the passing of this bill. It is no wonder that the minister had to indulge in so much boasting yesterday; it is no wonder he has had to interrupt every speaker who has spoken since during the course of this debate.

Mr. MARTIN: Because you are wrong, that is why.

Mr. MacINNIS: Here is one member who is not wrong.

Mr. KNOWLES: In connection with the relations that the bill proposes to be made with the provinces, I may say that this strikes me as one of the worst features of the legislation that is now before us. I find it difficult to reconcile this feature of the legislation with the loud preaching about Canadian unity that we get from the benches opposite. For several years now the provinces have been telling their old people who have appealed to them for higher pensions that the responsibility rested with the federal government, and in that contention I say the provinces are right. But because the federal government has been so slow in coming through with any kind of increase, provincial governments of all political stripes have had sufficient moral responsibility to their people to realize that they had to do something for them pending action by this government. And so in Ontario, Manitoba, Saskatchewan, Alberta and British Columbia—Conservative, Liberal, C.C.F., Social Credit, and coalition—we have had an attempt by provincial governments to fill in the gap and give their people something pending the time when this government may act. Each time these governments have made it clear to their people that these were temporary grants that they were making until such time as responsibility was really recognized by the federal government.

At long last we got this year, in the speech from the throne, the promise that the Old Age Pensions Act would be amended, and our elder citizens across the country, particularly in the western part of Canada, which I know best, took heart. They felt that at last the responsibility for them, which rightly belongs here at Ottawa, was being recognized.

Now what happens? The government comes down with a proposal for a basic pension of $30 a month, and the minister stands in the house and admits that $30 is not enough to live on—he admitted it today again by an interjection in the course of my speech a few moments ago—but appeals to the provinces to make additions to the pension to bring it to $31.75 or $33.75, or $40 or $50 or whatever it really ought to be. This is not only an admission that $30 is hopelessly inadequate. It is a course that helps to bring about disunity in the country. The only fair and sensible basis for dealing with this matter in a country like Canada is to recognize the complete federal responsibility for old age pensions. I shall have a little more to say about that in a moment, but before I do I

want to express my deep regret and bitter disappointment that the government not only failed to raise the amount to something adequate, but failed to meet some of the other pressing demands in connection with our elder citizens.

The failure to abolish the means test is utterly reprehensible on the part of this government. The failure to bring down the age has no logical justification at all; and, as other members have been rightly pointing out during the course of the debate, the failure to recognize the need for other services simply throws out of court completely all claims which the minister and all his colleagues make to any interest in social security and human welfare. It is just so much talk. The least they could have done would have been to bring in some sort of plan for medical services for our old people. As a matter of fact, that is one of the main features that were included in the petition which the leader of this group laid on the table of the house some weeks ago, signed by over a quarter of a million citizens, for it included a request for free medical, hospital and dental care.

I have done a little figuring in connection with this matter on the basis of what the experience of the Saskatchewan government has been in providing these services to the old age pensioners in that province. My reason for mentioning this is not to get into a political debate but to show what it would cost to meet this request, and how niggardly the government is in failing to come through with it.

Since the government of Saskatchewan instituted free medical, dental, optical and hospital care for all old age pensioners in that province, they have found that it costs an average per pensioner of $33.70 a year. I would like to break that figure down.

Mr. SPEAKER: Order. The hon. member will realize that if I gave him latitude to continue his remarks in that direction I should be obliged to do the same for other hon. members. I would ask him to confine his remarks to the principle of the bill which is before us.

Mr. KNOWLES: That is what I am seeking to do, Mr. Speaker, and if you detect me wandering from the proposal to amend the Old Age Pensions Act I shall be glad to be called to order. You will notice that I am not going to New Zealand, nor am I talking about dairy butter and such things.

And hon. MEMBER: Who did?

Mr. KNOWLES: The last speaker went all over the map.

[Mr. Knowles.]

Mr. SPEAKER: I think the hon. member will agree that what he was saying to the house when I called him to order was not relevant. He was discussing the social policy of the province of Saskatchewan, whereas we have before us a bill to amend the Old Age Pensions Act.

Mr. KNOWLES: What we have before us is a bill to amend the Old Age Pensions Act, which is supposed to concern itself with the welfare of Canada's old people. I find, according to the census of 1941, that in that year the total number of Canadians sixty-five years of age and over was 767,815 and the total number of Canadians in 1941, seventy years of age and over, was 450,091. I am taking this figure of seventy years and over, rather than sixty-five, because it is the figure that the government still has in the bill. I am suggesting that this bill should have included provision for completely free medical care at least for the 450,091 Canadians who are seventy years and over. I know, although I have not the exact figures before me, that the number in that bracket has increased since 1941. I would suggest a round figure of 500,000, which I am sure is liberal. On the basis of the experience in Saskatchewan, where completely free medical services have been provided at a cost of $33.70 per old age pensioner, this means that it would cost only $16,850,000 to provide completely free medical, hospital, optical and dental care for all Canadians seventy years and over.

What the hon. member who preceded me has said about the longevity that comes from security applies particularly to the value of having medical care. I suggest that what it would mean to all our Canadians who are seventy years of age and over to have the guarantee of all the medical and hospital care they need simply cannot be measured by such a small sum as $16,850,000. Even if the government sticks by the bill the way it is and refuses to accept some of the amendments we should like to see made to it, I hope that the Minister of National Health and Welfare, in his capacity as head of the department, will give consideration, even after this bill is passed, to implementing such a programme of free medical services for our elder Canadian citizens. Even if that benefit were given to all those sixty-five years of age and over, on the basis of the figure of 767,815 which I have given, it would still cost only $25,000,000 a year.

I now come back to the question of federal responsibility for old age pensions. I look upon old age pensions not as a form of charity and not as a social service. It is largely because it has been viewed in that light that

people have argued about provincial responsibility. It is rather a matter of security; it is a matter of the rights of citizenship in a country the economic forces of which are controlled largely by the federal government. This has been coming into the thinking of our Canadian people and our leaders across the years. In the election of 1930, Mr. Bennett, then leader of the Conservative party, promised the electors that if he were returned to power he would raise the federal contribution to old age pensions from the fifty per cent, at which amount it was then, to one hundred per cent. In 1931 the government of the day brought before this house a measure to implement partly—and I suppose that is pretty good for an old party—the promise which had been made in the election of the year before. The amount was brought up to seventy-five per cent, but Mr. Bennett and his party are on record as believing that the federal government should pay one hundred per cent. In the course of that debate in 1931 the present Prime Minister called upon Mr. Bennett to implement his promise. I want to read one or two quotations from what the present Prime Minister said on July 27, 1931. First of all I quote from page 4197 of *Hansard,* and this is the present Prime Minister speaking:

> So my right hon. friend need not regard any agreements existing at the present time as being either a bar to action or a cause for delay in implementing the pledge he made to the electorate that there would be a national old age pension system on a one hundred per cent basis.

He went on to quote from *Hansard* some remarks along the same lines made by Mr. Cahan, a former secretary of state, and then said this:

> That, I think, is advice that might well be heeded at the moment.

A little later, at page 4198, the present Prime Minister, after proposing a dominion-provincial conference, said this:

> Let the dominion, if so agreed, take over in its entirety the administration and control of old age pensions.

The present Prime Minister went on to say, in the second column on the same page:

> I am just as strong an advocate of provincial rights as any person can be, but I do believe that the people of Canada sent us here not to represent the provinces but to represent the interests of the dominion.

In 1943 the present Minister of Justice (Mr. Ilsley) who was then minister of finance and in charge of old age pensions, made a similar declaration in the course of a debate on that subject, as reported at page 5419 of *Hansard* for July 24, 1943—this is the present Minister of Justice speaking:

> I wish to say that I myself am in favour of old age pensions being within the jurisdiction of the dominion parliament.

Then we have had the Rowell-Sirois report, the whole point of which was that in view of Canada's economic structure, if we are to provide for Canadian unity and minimum social standards, we must do some of these things on a national basis. That too was the meaning, as I take it, of the proposals made by the dominion government to the provinces in 1945. Yet now, after all this development of the realization that old age pensions, as a mark of the security that should go with citizenship, is a responsibility of the federal government, we have the minister coming in yesterday, on June 18, 1947, and proposing that this house approve an inadequate pension, and that, in turn, the provinces be asked to add to that in varying amounts. For example, he suggested that Manitoba, Saskatchewan and Alberta should pay a pension of $33.75. That would mean this government paying only 66 per cent of the total pension the pensioners would receive there, and the province paying 33 per cent. He also suggested that British Columbia might pay a pension of $38.75. There again, since this government's contribution would be only $22.50, that would be a split as between 58 per cent paid by the federal government and 42 per cent by the provincial government. Instead of moving on to 100 per cent the government is moving back toward the fifty-fifty basis, long since recognized as obsolete and unfair. Today the Minister of National Health and Welfare stood up and boasted of the fact that he has jockeyed the premier of Ontario into adding another $10 to the pension; in other words, that he has jockeyed Ontario into taking on part of this government's responsibility. I am glad that the people of Ontario are getting another $10, but I suggest it is a crime the way in which our old people are simply tossed back and forth from dominion to province and made the victims of a political football game, such as we have been having for months and years.

Mr. MARTIN: Does the hon. member think we shall get action in Saskatchewan now?

Mr. KNOWLES: There we are. I hope that is on the record.

Mr. MARTIN: Shall we get action?

Mr. KNOWLES: That is a supreme example of the irresponsibility of a man who calls

himself a minister of the crown. He says: Do you think we shall get action in Saskatchewan by not discharging our responsibility here and by throwing it on them?

Mr. MARTIN: On a point of order, the hon. gentleman has used a term which I believe to be unparliamentary. I will not ask him to withdraw it, because I am surprised that he ever used it. But I do ask him to answer my question. What will Saskatchewan now do as a result of this bill?

Mr. CLEAVER: Will they pay the $40?

Mr. KNOWLES: I hope that Saskatchewan, along with the other provinces, will still continue to press for recognition of the fact that the responsibility for old age pensions rests with the federal government. As a matter of fact, Mr. Speaker, a couple of years ago this government made certain proposals to the provinces, including Saskatchewan, and asked them to make certain commitments in terms of taxation arrangements, in return for which the people of Saskatchewan were to get an old age pension of $30 a month at age seventy without the means test, and old age assistance from sixty-five to sixty-nine on a fifty-fifty basis. Saskatchewan, along with six other provinces, has fulfilled its part of that bargain. They made their agreement with this government, but the people of that province who were supposed to get old age pensions, old age assistance, public works programme and other things as a result of that agreement, are not getting them. Yet here in this house—

Mr. MACKENZIE: What will Saskatchewan do?

Mr. KNOWLES:—as part of this disgraceful football game that goes on back and forth between the two old parties—

Mr. MACKENZIE: My hon. friends are the biggest politicians in Canada.

Mr. CLEAVER: Will the hon. member answer the question?

Mr. KNOWLES:—we have the hon. member for Eglinton (Mr. Fleming) yesterday and today complaining, and condemning the government because they do not implement their proposals, when as a matter of fact it is a prominent figure in their party—and rumours are that he may be more prominent as time goes by—who is helping to block complete agreement with respect to the dominion-provincial proposals of 1945.

Mr. FRASER: He is not; absolutely not.

Mr. MACKENZIE: What is his name?

Mr. KNOWLES: His name is Drew; and he has a friend by the name of Duplessis. On the other hand my friends across the way sit there and forever put the blame on Drew and Duplessis in such a manner as to give some of us in this house the impression that they would be completely nonplussed if Drew and Duplessis should agree. Then they would be in the position of having to implement their proposals.

Mr. FRASER: Didn't Drew get more money for Saskatchewan and the other provinces? Certainly he did.

Mr. KNOWLES: The fact of the matter is that if this government really wants to implement their proposals, the long range objectives the minister talks about in this house and in the speeches he makes throughout the country, they are in a position to do so right now; and I contend they are being irresponsible to the people of this country in not going through with the proposals they have made.

Mr. MARTIN: Then you refuse to answer my question?

Mr. KNOWLES: I have answered the question.

Mr. MACKENZIE: How about Saskatchewan?

Mr. KNOWLES: I am not a member of the legislature of Saskatchewan or the government of Saskatchewan. I am a member of this parliament. I will give this as an answer to my hon. friend, from an authority I think he will accept; that is, the present Prime Minister who said at page 4198 of *Hansard* for July 27, 1931, following a quotation from the same page I gave a few minutes ago:

> I submit that is, or should be, our first concern in all matters between the provinces and ourselves. The provinces have their own representatives who will feel a corresponding obligation.

Mr. MACKENZIE: That is the answer, is it?

Mr. KNOWLES: The answer is that I leave the representatives of the provinces to discharge their responsibility. My responsibility—and I am not going to be deflected from it by the statements of the minister—is to press this government to recognize its responsibility to our old people. My hon. friend knows that just as well as I do.

Mr. MARTIN: My hon. friend is quite fair and quite correct; his responsibility is to this house, and so is ours. But will he

not accede to this suggestion, that he might also direct his remarks to Saskatchewan and ask them now, as a result of this bill, to bring about an increase in that province?

Mr. KNOWLES: As a matter of fact, Mr. Speaker, good as it is for the old people in the province of Ontario to get the extra $10 they are going to get because of this jockeying that is going on; good as it was in the western provinces for them to get the extra $5, and good as it would be for them to get even more, in the long run it simply delays proper consideration of this whole problem. I am interested in the people of Saskatchewan. I am also interested in tne people of my own province of Manitoba, and the people of Quebec and of Nova Scotia and Prince Edward Island and New Brunswick. Where are they in this picture?

Mr. MACKENZIE: What about British Columbia?

Mr. KNOWLES: Yes; even in British Columbia they might get better consideration than they have been shown thus far. But they are not going to get it by simply making our old people the victims of dominion-provincial or interprovincial warfare and competition. The responsibility rests here; and I am glad to see the minister wagging his head up and down, which means that he agrees with me.

When one talks about this question of federal responsibility the question also can be raised, what about the cost? I want to dip back into *Hansard* again. It is a very interesting institution, this business of *Hansard* recording in black and white the things hon. members have said. I find that back in 1943, at page 5420 of *Hansard,* the present Minister of Justice, then minister of finance, was replying to a request of the then hon. member for Burrard, now one of those fellows who have had their longevity stepped up by being put in the other place, and told him that in his view the provinces should take on this matter of increasing old age pensions because of the substantial surpluses they then had. Let me quote:

> I do not think there is anything unreasonable or uneconomical or obsolete about the view that, when the provinces have changed their position from a combined deficit of perhaps $20,000,000 before the war to a combined surplus of from $60,000,000 to $70,000,000 today, while we have changed our position from a balance before the war to a deficit of over two billion dollars today, the people who have the primary responsibility should take the thing in hand.

That is the sort of remark the then minister of finance made a number of times during the war; I have the references here, but I will not bother giving the rest of them at the moment. That was a position we all remember quite well; he kept telling us time and again, "Oh, the federal government has a deficit. The provincial governments have huge surpluses. They are the ones who should increase old age pensions." If that kind of argument was logical then, it is logical now. Remember, this year with great boastfulness the Minister of Finance told us this government was now reporting a surplus, not of sixty to seventy million dollars as all the provinces together had back in 1943, but a surplus of over $350,000,000. Well, if surpluses of those days in the provincial financial statements should have been turned into improved old age pensions, I suggest that a surplus of $350,000,000 in this government's financial statement should be turned into a much better deal for old age pensioners than they are getting under the bill now before us.

I see my time is nearly up, and I want to put in just a word in reference to the blind, about whom I shall have something more to say when we get into committee. It has been pointed out already by the leader of this group that the provisions for this particular class of Canadian citizens are hopelessly inadequate in this measure. As a matter of fact they should be covered by a separate measure entirely, and I hope that before long we will get to that stage in this country, for it is long overdue.

In closing, Mr. Speaker, I want to say that this whole case which is being made in the course of this debate by members on all sides of the house should not be looked upon merely as a matter of sympathy for old people. The statement has been made a number of times that no party has a mortgage on sympathy for our old people, and we all agree with that. The point I wish to make is that this matter of granting old age pensions should not be thought of as something that is done out of sympathy or out of pity for those sometimes referred to as "poor old folks." That is not the proper basis at all. Old age security is a matter of right, and what we should be building up here is a programme of security for all Canadian citizens; and our concern in this debate is not just for the so-called "aged poor"—I dislike that phrase immensely—who are now in their advanced years. We are also concerned about security as a symbol, as something that is achieved by Canadian citizens who live their lives here, who work and contribute to the wealth of Canada, and who have something to look forward to in their declining years. It is a

symbol of something that can offset the fears, the insecurity, the feeling of frustration that comes over so many human beings when they realize that life consists of working from one depression to another and never having anything very sure to look forward to. The importance of this debate, the importance of old age pensions, as I have already stated, involves sympathy for our old people but it goes far beyond that. What we should be doing is building security. I contend that either we build security in this country or thousands of Canadians have died in vain. Either we build security or our way of life becomes too vulnerable to last in the kind of world we are in today. For the sake of democracy and freedom nothing is more important than that we establish security for Canadian citizens, for all our citizens. There is no better place to begin than with old age. The present government has failed to do that, but the fight for security goes on.

Mr. F. D. SHAW (Red Deer): Mr. Speaker, prior to the introduction of bill No. 339, to amend the Old Age Pensions Act, it was my fervent hope that the bill would be of such a character as to render unnecessary a prolonged debate. Unfortunately my hopes have been shattered tragically. I was also hopeful that the changes proposed in the Old Age Pensions Act would render it unnecessary for us to engage in certain types of debates which from time to time have already cropped up.

I sincerely hope that throughout the remaining hours or days of the debate—whatever time may be registered—we can at least keep this matter wholly and completely above the realm of party politics. It has been said, and rightly so, that no party has a monopoly on the interests and welfare of our pioneer citizens. But we all have a responsibility, and I for one fervently hope that that responsibility will be recognized and carried out. Possibly I was too optimistic when I assumed that since this is the twentieth anniversary of the passage of the Old Age Pensions Act, and also the twentieth anniversary of the Prime Minister's acceptance of leadership of the government in Canada, some satisfactory legislation would be placed before us. I thought that in the light of these anniversaries, and of the further fact that we have a new and young minister in charge of the bill, something would be brought forward which all of us could praise to the skies.

But I was altogether too optimistic. Only recently I decided to look back through history in an effort to determine whether or not we have made any reasonable progress in connection with the treatment of our pioneer citizens. I found, sir, that we have made some progress because I learned that primitive peoples disposed of their aged in the simple and straightforward fashion of dashing out their brains with clubs. We have gone beyond that. I have learned further that among some primitive peoples it was the custom simply to abandon the old people and leave them to die. I was going to say we do not do that—and possibly I should not say that. We are modern, or at least pride ourselves upon our being modern. We pride ourselves, too, upon our civilization. We contend that we are progressive and that we are Christian. No, we could not tolerate such inhumane treatment as was accorded the old people of primitive time. Our developments render those means more or less impossible. It is essential that we apply methods which at least are less repulsive.

Mr. JOHNSTON: But more barbarous.

Mr. SHAW: Today, in effect, we say to our pioneers, "If you manage by hook or by crook to survive until you are seventy, you may become eligible for pension." I place emphasis upon the word "may"—all the emphasis at my command. Then there are provisos—and it is with respect to many of these provisos that I feel most bitter. And before proceeding further let me say that while I may not display a great deal of heat, it is not because I do not feel that way. By the utilization of a vast amount of control I manage to suppress some of the feelings I harbour.

I have said there were provisos of extreme importance, one of which is associted with the iniquitous means test. On previous occasions I have said that through the provisions of that test we pry into the most personal affairs in the lives of these people. It is a continuous process, too. Periodically we go back to pry—at least once a year, and in some instances more frequently.

The second proviso, associated with the first, is one which seems to indicate that if upon some previous occasion the individual did have a few hundreds or a few thousands of dollars, and neglected to invest the sum in an annuity, with the result that the money disappeared, that person is not eligible for pension. Recently no less than four cases in one community came to my attention. It so happened that some years ago these poor unfortunate people had some money—not a great deal, but some. They were asked why they did not keep it and why they did not invest it. Because the answers were not satisfactory to the officials those people were completely deprived of pensions.

Then there is another proviso which has to do with relatives of our older people. I know the act is not always administered in the way it could be, so far as the degree of viciousness is concerned; but when I learned that the department may go to the son-in-law of a prospective pensioner to ascertain whether he is in a position to support his father-in-law, it made me sick.

Mr. JOHNSTON: And so it does everybody else.

Mr. SHAW: I am sure it does. I recall not so long ago assisting an applicant in the preparation of his form. Perhaps I should not have done it, but after reading the form I became so much disturbed that I said, "Write on it 'it's none of your damn business' ".

Then there is another proviso which is wrapped up with a multitude of baby provisos. This one refers to residential qualifications. I am not saying there should not be some residential requirements. But when I see some of the methods employed in a determined effort, so it seems, to deprive persons of their just dues on this ground, I am greatly exercised.

We come, of course, to the matter of establishing age. It does not matter whether a person is so old and decrepit he can barely move; it does not matter whether fifty persons looking at the individual would place his age at one hundred, he must still produce proof before the pension is paid. I remember an old lady of about seventy-five who for some reason or another could not procure a birth certificate. Evidently there was something lacking in the census record. Finally the officials said to her, "Well, there is still another door open to you. If you can find some one who was present at your birth and who can complete an affidavit to the effect that you were born on that occasion, then we will grant you a pension". Such a ridiculous thing! I suppose such an individual would have to be from ninety to a hundred years of age to be able to complete that affidavit. Just how many such persons were present at these births? They do not usually call in all the neighbourhood. How many can produce the evidence essential for the establishment of age?

I know that the pioneer citizen advances certain arguments in support of his right to pension. He points out that possibly for fifty years he has struggled in order to develop Canada. He may have gone into some undeveloped backwoods area and helped to bring that area into production to add substantially to the wealth of this great nation. He says, "I have played a most important part in putting Canada in a position where today her production is valued at $10,000 million to $11,000 million." He also points out, as was indicated by the hon. member for Peace River (Mr. Low) last night, that he has paid $20,000, $30,000 or $40,000 in taxes during the years he has been a resident of the country. He points out, and rightly so, that perhaps on one occasion he served in defence of this land, and he reminds us that in many cases his sons and his grandsons have also served in that capacity. It makes him bitter to realize that after all that, if he is still unable to provide for himself between the ages of sixty and seventy if he cannot meet all the conditions laid down and applied at the age of seventy, he is not receiving, from that land which he helped to build, justice in the smallest degree.

Many of these older persons point out that prior to the terrible depression they were in such a position that had things continued as they should have continued, they could have made adequate provision for their old age. Hundreds of them lost almost everything during those bitter years. They attained an age when they could not make recovery. Were it not for the fact that governments were responsible for the depression were it not for the fact that governments did not take the action they should have taken to alleviate the distress which prevailed at that time, his argument might not have been quite so good. He says, "I am willing to argue that I cannot be expected to secure and carry out my assignments in connection with employment." It is recognized by all reasonable persons, and it has been emphasized already in this debate, that competition in the labour market is becoming more intense all the time. Men over fifty years of age are finding it desperately hard to secure employment. Why should they, after all the working years they have put in, be expected upon attaining those ages to go out and seek work? I contend that their services are not required for the continued welfare of this country.

Then finally he says, "We found $20,000 million during the war for destructive purposes. We thought we were paying for it while it was being fought, but we find now that it has to be paid for completely." He says, "If that could be done, that which reflected the best productive capacity of this country, then surely Canada is in position out of the vast production of this day to make sufficient available to guarantee a standard of decency we deserve."

Running parallel with those arguments are the observations of the officials to these persons and the rest of us. We are constantly advised of the great debt and the financial obligation of interest associated with it; we are told that Canada must honour these obligations, that we cannot add to this debt the amounts essential for the welfare of these people. That argument is advanced, and it is also pointed out that our present rates of taxation are tremendously high. They argue that we cannot possibly increase taxation if that is necessary—I say it is not—in order to make adequate provision for these persons. They endeavour to beat them down on that point.

They are told, "You cannot blame us for what you lost during the depression because that depression was an act of God." This man is told that his sons were adequately compensated, because they preserved their own freedom. He is told that he can find work if he wants it. I have heard that argument offered in connection with certain cases. He is told that the increasing proportion of older people in our population may later create an intolerable burden if we grant higher rates of pension to those who are now past sixty years of age. As a matter of fact, the same argument is used when we advocate increasing the pensions paid to those above seventy years.

Then we come to this extremely interesting argument that is advanced. It is said by government spokesmen, and the minister was as guilty as the others, that they expect that eventually their long-range programme will materialize and then these persons will be infinitely better off than they are today. That is small comfort for the individual who is in distress today. I am not one of those who contends that the government has abdicated the position which it formerly held in respect to this matter; I am not going to say that this bill is a reversal of government long-range policy. What I am saying is that it does not deal adequately with the problem which confronts us today.

The minister may talk all he likes about unemployment insurance, family allowances and veterans rehabilitation benefits, but he knows and I know that those things do not in any way alleviate the distress which is today facing so many of our older citizens. They may be part of an over-all long-range policy —they are commendable and I am not criticizing them—but for heaven's sake let us divorce them from the problem with which we are now confronted.

I have referred already to this question of proof of age. I sincerely hope the government will find it possible to revise the regulations covering the establishment of age. When I look over the average payments by the provinces it fills me with horror. When you find these persons getting less than one dollar a day in actual cash it makes you wonder, especially when you realize that, all government statements to the contrary notwithstanding, the cost of living today as compared with pre-war years is completely staggering. Let us take food and clothing alone. I do not have to deal with these, but anyone should realize how hopelessly intolerable the situation is today, and goodness knows even during the pre-war years at the prevailing rates the situation was pretty hopeless too.

Those provincial governments which have extended medical, dental, optical, hospital and other services to their people are certainly to be commended, I do not care what the complexion may be. Possibly competition between provincial governments is a pretty fair thing. It seems to me that sometimes it is the only way that some persons do receive the justice which they deserve. But to those provinces which have not extended the services, I say, do it. If we are able to do it in the western provinces, the provincial governments elsewhere should be in a similar position, possibly not to extend the same degree of service, but certainly to extend some service in that respect to their people. I note too often when we talk about living costs—and I referred to it a moment ago—the old age pensioner has it indicated to him, directly or indirectly: Well, after all, the cost of living is pretty high and your pension is pretty low, but you should thank God you do not live in China. That is small comfort, but that, sir, is in effect one of the answers we constantly receive.

I do not like to hear hon. members continually going aboard to find that something there is better than or worse than something here. My philosophy is, let us make this country the very best. That is our concern. The thing that makes me feel very sad is the fact that these pensions are reduced in many cases on the slightest pretext. I cannot refrain from telling this story. In a community with which I am quite familiar we have an old gentleman of eighty-three years of age. He is a wonderful individual for that age. He is anxious to work; he does work; he has an old team of ponies; he has an aged cow. He has three or four chickens; possibly they have reached the maximum of production and just about laid the last egg. That old fellow goes out with the old team of horses. At Christmas time, for instance, when it was very cold, he peddled trees from door to door; he came to my house when the temperature was 40 degrees below zero. That man raised his own family and

adopted two children. One of them is now around thirty years of age and served with distinction in the recent war. His little girl is eleven years of age. That poor old fellow's pension was cut down to $6.25 a month. After constant fighting we got it back. After quite a number of years I think it is now at the maximum. I know this is just one case, but I ask, is it isolated?

Some hon. MEMBERS: No.

Mr. SHAW: I am sure it is not.

Mr. MITCHELL: Who would be the administrator?

Mr. SHAW: All right; I expected that question. Let us not lose sight of the fact that the Old Age Pensions Act is a federal act; that it is administered by the provinces under the strict supervision of the dominion which pays seventy-five per cent of the cost. In fact—

Mr. MARTIN: That is not right. Will the hon. gentleman permit me? The hon. gentleman will agree that that is not an accurate statement. The regulations are the result of a joint conference of the provincial pension authorities and the federal government. The regulations are administered by the pension authority, and if in the particular instance to which my hon. friend is referring there was a grievance I am sure he must admit that it was the provincial authority—in this case Alberta—who was responsible, and no other authority.

Mr. SHAW: Actually the minister has not changed my mind one bit. I possibly have had a little more to do with this than he has, and I am telling him that the federal government, which pays seventy-five per cent, holds the big stick. The regulations under which the pension is paid are the creature of the dominion government which pays the seventy-five per cent, and the provinces have very little to say with respect to the nature of these regulations.

Mr. MARTIN: No.

Mr. SHAW: Let me also suggest—

Mr. MITCHELL: My hon. friend knows that that is not so.

Mr. SHAW: Are the accounts audited by the federal government authority?

Mr. MITCHELL: All public money is audited.

Mr. SHAW: And audited strictly in the light of the regulations which are laid down, as I say, primarily by the federal government. I am reminded that every estate is checked over as well. You know, Mr. Speaker, it interests me when the Minister of Labour (Mr. Mitchell) interjects, because I have had occasion to read more than one speech he delivered during the middle thirties when he sat in the opposition ranks, and I could probably quote him in defence of every argument I have advanced today. But I have more important things to do, and I would rather use myself as an authority.

Mr. MITCHELL: I was talking old age pensions when my hon. friend was not even a member of the House of Commons. I signed the agreement which brought old age pensions into existence in Ontario.

Mr. BLACKMORE: All the more reflection on the minister.

Mr. SHAW: I should like to ask the minister if he is proud of the thing as it stands at the present time. I do not want to deny the minister any happiness which he may procure from the realization that he had something to do with this; but I simply say to him that when he sat in the house as a member of the opposition he was just as vehement in his argument in defence of justice, which we are still fighting for, as anyone over on this side of the house, and I certainly hope—

Mr. MITCHELL: And still am.

Mr. SHAW: —that in view of his proximity to the Minister of National Health and Welfare he will use strong arm methods if necessary in order to carry out the very things which he believed in when he sat on this side of the house and which he says he still believes in.

Mr. BLACKMORE: Don't forget the Minister of Finance (Mr. Abbott); go to work on him.

Mr. SHAW: Under this proposed bill certain changes are forecast. Certain of these changes are welcome, it is true, but it amuses me the way the government emphasizes this question of outside income, because to the great majority of our elder people it means absolutely nothing. The great majority of them will be limited to the payments made under the provisions of the act; whether they are permitted to earn $200, $300 or $10,000 it will make no difference, because for them the employment is not available. In many cases their health would not permit it were the employment available. As I see it, we can discard outside income so far as it applies to this act.

Mr. BENTLEY: They could sell Christmas trees.

Mr. SHAW: Yes, there are still quite a few out there.

Mr. BLACKMORE: And be docked for it.

Mr. SHAW: Yes, he would no doubt have his pension cut because he showed a desire to do something further in his declining years to assist this great country.

Mr. COTE (Matapedia-Matane): This is another gift off the Christmas tree.

Mr. JOHNSTON: You want to tax him for it.

Mr. SHAW: On two or three previous occasions I brought up something in the house in connection with old age pensions, and I am still waiting for an answer. I trust that with a new minister the explanation will be forthcoming. I can at least expect an attempt to answer it. When a man becomes seventy years of age and qualifies for pension he will secure the maximum; let us say for illustrative purposes, that it is $30 a month, as it is in some places. If he has a wife who is under seventy, so far as the actual pension payment is concerned she is completely ignored. In other words they as much as tell him he should not have been fool enough to get married. At least he should have married someone as old as he was—or she should. It works both ways. I wonder if, when they look upon a wife who happens to be sixty-five, they think that there might be still a couple of working years left in her. That is something I cannot understand. They completely ignore the presence of the wife; because, if the man is a widower or bachelor he gets the same amount as though he were a married man. Of course, the old question of outside income might come in, but once again you can drown that as far as this bill is concerned.

I think I am safe in assuming that the citizenship qualification is to be eliminated, and that is a good thing. I understand there are to be modifications in the residential requirements, and I commend the government for that too. I understand also there will be a new arrangement for balancing off accounts as between the provinces, and that is proper. I commend the government for it. But that is about all that I can commend them for.

I regret that in this year 1947 we have not been able to offer our pioneer citizens something more than we are giving them. We have constantly boasted of what we are able to do in this country, and I may say to the government that they never hesitate when it comes to something that they consider it desirous of going ahead with. Costs never seem to concern the government so far as some other things are concerned. They boast about the great productive capacity of the country, and all that these people are asking for is an effective claim against enough of this production to enable them to live out their lives in decency.

I say that so long as this act remains on the statute book as it stands we had better keep our mouths shut. I have faith in the minister; I have not lost it all. I simply hope that he will within the cabinet shake things up as far as he can, even by using physical force, and I am sure the Minister of Labour will help him. I am not going to say more on this occasion. I am absolutely opposed to the present rate of pension. I expected the Minister of Labour to bite at that one. I thought he would say, "Well, are you going to vote against it?" He realizes as well as I do that another $5 to the old age pensioner will mean something. I am not one to deprive the pensioner of another $5, although I feel mighty cheap in playing a part in offering him that paltry sum. I am unalterably opposed to the means test as one of the most vicious things. The Minister of Labour in 1933 dealt with that and said that the pension should be paid as a matter of right. In fact, he said, it is nobody's business what you earn. I commend the minister for that.

Mr. MacNICOL: He was right then.

Mr. JOHNSTON: Does he back it up now?

Mr. MITCHELL: Don't forget the qualification. Give the whole story.

Mr. SHAW: I noticed, in reading the minister's speeches, that he qualified his statements, but I was giving him the benefit of the doubt when I took that statement. It started with a capital letter and ended with the proper punctuation mark. In fact, it was a paragraph unto itself, and I know enough of the language to conclude that I repeated exactly what he said in this house, though not verbatim. I recognize that.

I am going to continue pressing the minister for an explanation of what I mentioned a moment ago, namely, the utter failure to recognize the existence of the wife if she is under seventy.

Mr. MARTIN: That is not true. My hon. friend has not read the bill. He will find that there is provision to cover that situation.

Mr. SHAW: Only as far as outside income is concerned.

Mr. QUELCH: He must have brought the wrong bill in.

Mr. MARTIN: My hon. friend has not read the bill, and I do not think he listened to my statement.

Mr. QUELCH: You have a different interpretation of it from anyone else's.

Mr. SHAW: I do not know whether the minister's observation was directed to me, but he is rather presumptuous in it. I say to him that unless both the wife and the husband qualify for pension on the same basis they do not receive the pension in each case. Goodness knows I have had enough to do with these cases to know that. If the wife is seventy and if the husband is seventy and they meet all other conditions they can each get the maximum pension; but if the wife is sixty-five he is permitted to earn a little more per year than he would if he were single. But as far as the actual pension payment is concerned, it is not increased by virtue of the existence of a wife under seventy. If I am wrong I will apologize, but if I am wrong I shall be greatly astonished.

Mr. MARTIN: The hon. gentlemen is now right as he has just stated the position. We are all anxious to get the situation straight. The provision which the government introduced yesterday is one that is more generous in that particular than any similar provision in New Zealand or the United States, in Australia or Great Britain.

Mr. SHAW: As I said a while ago, I do not give one hoot about New Zealand. We are concerned with providing for our aged people a decent standard of living, payable on a basis that bears a proper and fair relationship to our capacity to provide that decent standard.

May I make one more observation before I conclude. If the minister reads my remarks with reference to the wife under seventy he will find that I did not change my position at all from the first statement I made. I said that from the standpoint of outside income the pensioner's position was improved. Even under the old bill, as far as outside income was concerned, his position was slightly better when he enjoyed the married status. But as far as the pension payment itself is concerned, the wife is ignored. I wonder how the women feel about a government which will simply write them off as it would a bad debt.

Hon. HUMPHREY MITCHELL (Minister of Labour): I should like to make just a few remarks on this bill. My hon. friend has read speeches of mine which I made a good many years ago when I was about as old as he is today. I like my hon. friend. He comes from one of the best provinces in this dominion.

Mr. SHAW: And the best part of that province.

Mr. MITCHELL: I have had a great deal to do working with the government of Alberta since I have been Minister of Labour and before that. Like the hon. member for Vancouver East (Mr. MacInnis), I took part in the agitation for old age pensions years ago when they called us revolutionaries because we suggested such a policy. We were young people and we made many observations like some of those that have been made by my hon. friends, without responsibility, in this House of Commons in the last couple of days.

Mr. SHAW: Was the minister applying that remark to me?

Mr. MITCHELL: I was thinking of Mr. X; let me put it that way. I have a vivid recollection of the agitation that took place right across the dominion in connection with the establishment of the principle of old age pensions. I am not going to go into the history of this matter. It was introduced by the Liberal government of that day. Other people can take all the credit they wish for the crystallization of public opinion in that regard. In my opinion, notwithstanding views to the contrary, the greatest contribution made to the establishment of old age pensions in this country, and in the education of the people which is necessary before any forward-looking policy can be put into operation, came from the Trades and Labour Congress of Canada, and other labour organizations. I was closely associated with the trades and labour congress, and labour organizations can take an unpopular opinion and make it stick. May I say this with regard to political parties, and I do not exempt any political party in this House of Commons; as a rule, in a general way, they follow public opinion. But I remember the years of agitation until public opinion was crystallized and we established the principle of old age pensions in Canada.

This afternoon I mentioned, as I have mentioned before, that I was a witness to the agreement—signed by Hon. Howard Ferguson, a Conservative in the province of Ontario, and Hon. Peter Heenan, who was federal minister of labour—which established old age pensions in Ontario. Let us not wear our consciences on our coat sleeves. I think every self-respecting member of the House of Commons believes in the principle of old age pensions.

But we went into the thing blindly, as one does in many things. I believe that any nation which over a long period of time gives away something for nothing is placing itself in jeopardy.

Mr. SHAW: You are not doing that in this country.

Mr. MITCHELL: Wait a minute. Do not forget that I supported the principle of a non-contributory old age pension plan at that time. I often talked the matter over with the late Tom Moore, with whom I was closely associated. I think one error in judgment which we made was that we did not adopt a contributory policy from the start, as a result of which the old age pensioner would get the pension by right and not on the basis of charity.

Mr. JAQUES: That is not what we want.

Mr. MITCHELL: I know my hon. friends would print money and do it in that way, but I do not believe in their theory.

Mr. JAQUES: Piffle.

Mr. MITCHELL: My hon. friend says it is piffle. He knows my opinion about money; if it is not hard to get, it is not money. I believe that many of the troubles of the world today have been brought about by a nation which thought they could print their way out of trouble, as the Germans tried to do after the last great war. But that is a matter of opinion and has nothing to do with the matter now before the house.

Mr. SHAW: It has nothing to do with social credit either.

Mr. MITCHELL: I do not say this in a critical spirit, but I believe my Social Credit friends could render a service to the old people in Alberta if they would go back there and suggest to the government of Alberta that they follow the policy of the government of British Columbia, and, if I am given to understand it correctly, the policy of the government of Ontario, and raise the pension from $33.75, as I think it is there at the moment, to $40 a month, which it will be in those two provinces.

Mr. JOHNSTON: And let the government here get out from under as regards responsibility.

Mr. MITCHELL: My hon. friend talks about responsibility. That is an easy thing to say. He knows something about the constitution of this country, and you cannot laugh it off. It is my frank and candid opinion that the fathers of confederation builded better than they knew. When one is in a corner and wants to get out from under, it is the easiest thing in the world to say that they did not. I am not offering this as a criticism, but I know of no provincial government which is more conscious of its constitutional prerogatives than the government of Alberta; and I agree with them. I do not believe that the Creator ever meant that we should all be cast in a common mould, in a nation as big as Canada.

Mr. MacINNIS: Thank God for that.

Mr. MITCHELL: My hon. friend says, "Thank God for that", and I agree with him. I do not think we were ever intended to be cast in a common mould. I believe that there is strength in diversity and decentralization, which is, may I say—and I am not talking politically now—good sound Liberal policy and philosophy. There are those in this nation who would centralize everything. As I said before in this House of Commons, I was in Germany when Hitler put over his revolution. Any fool can govern a country with a bayonet in his fist as long as he does not stick it into himself. What happened there? Everything was centralized in Berlin. I point that out to the great centralizers who want to get out from under in this present argument, if they say that responsibility should be on a national basis rather than on a cooperative basis in connection with the matter now before the house.

I believe that in the light of experience it will be proven that the act passed in 1927 was a sound one. I do not think that any political party in this house has a first mortgage on ability or willingness to make provision for improved conditions for the people of this nation in the sunset of their lives. When the suggestions made to the dominion-provincial conference by this government are carried out —and we mean to carry them out—and when we move to a policy of old age pensions, with a reduction of age, based on the contributory principle, I believe it will be a tremendous step in the direction of a sane method of approaching this vital question in the life of this nation. We must remember this. With a contributory basis, there is the right to have some say in the administration of the money which has been contributed. We have heard a good deal about the means test, and I suppose we shall hear more about it. On a contributory basis, of course, the means test is not necessary because when a person contributes, he is justly entitled to the benefits of the plan. We have heard Great Britain

quoted in this debate. If newspaper reports are to be believed, only this week a member of the British cabinet—a former member of a labour government; a member of the government of Lloyd George in the first great war—is placed in the position of having to make a public issue of his own position because of the means test in Great Britain. They have the means test for non-contributory pensions at the moment. I am not talking about whether the principle is sound or otherwise. What is done in New Zealand and Australia has all been pointed out. But let me say this to my hon. friends. All these social matters—and I am all for them, and have been all my life—in effect mean the redistribution of the national income of a country. I do not believe that a nation can have a body of rich people—as we see in some countries of the world today—and a mass of poor people at the bottom, and maintain its equilibrium as a nation. That condition, by its very nature, spells revolution irrespective of the country in which it exists. As these great schemes of social advancement are placed in operation we must be prepared—and I myself am prepared; I speak personally now—to pay the bill through taxation, as is being done in Great Britain, as we are doing in the Dominion of Canada, and as is being done in New Zealand, Australia, or any other country where these reforms have been placed in operation in the last generation or so. We must be frank and honest with our people and tell them that these schemes mean the redistribution of the wealth of the nation and require willingness to bear taxation in order that they may be put into force. I know some people in this dominion think it can be done in some other way. I have no objection to listening to their theories, but of course I still believe two and two make four, though I left school at a very early age. In connection with any of these schemes; whether it be workmen's compensation, where there is an assessment on the employer on the basis of the risk in the particular industry, which, of course, in turn is paid by the public generally so that in effect it is a tax; whether it be children's allowances; whether it be old age pensions; whether it be unemployment insurance, of course in smaller measure because that is contributory; in the same breath that you speak, in my judgment—and I know this is not good politics—you must tell the people frankly that this redistribution of the wealth of a nation can be done only on the basis of taxation. Those members who say in this House of Commons that we should do this here and that there; who advocate increased old age pensions and increased unemployment insurance, as the hon. member for Eglinton (Mr. Fleming) did this afternoon, cannot in one breath demand a reduction in taxation and in the next breath increased expenditures by the government of this country, as the leader of the opposition (Mr. Bracken) has done.

Mr. KNOWLES: It needs increased production.

Mr. MITCHELL: Of course it does; and may I say this to the hon. member for Winnipeg North Centre (Mr. Knowles)—

An hon. MEMBER: Look out.

Mr. MITCHELL: Don't worry about that. I don't need to look out; I have been in this business too long. I wish my hon. friend would preach to the working people of this country that the wealth of a nation can be expressed only in the unit of production of the people within the confines of that nation, and would not preach pie in the sky, the old socialist philosophy of the less you do, the richer you are.

Mr. KNOWLES: This is sheer nonsense. That is not what I have said at all, as the minister knows.

Mr. MITCHELL: Well, you interrupted me; you stuck out your neck for that one.

Mr. KNOWLES: Would the minister permit a question?

Mr. MITCHELL: Any question you wish.

Mr. KNOWLES: The minister had something to say, and quite properly, about the part the trade union movement has played in building up the principle of old age pensions. Does the minister know what the trade unions think of the proposal of $30 a month?

Mr. MITCHELL: I do not know. Some people express opinions on acts of parliament before they read them.

Mr. KNOWLES: I have here a letter from the international association of machinists condemning it outright.

Mr. MITCHELL: I introduced a bill two days ago, I think it was, and before any member of this House of Commons received a copy of that bill some persons expressed an opinion on it. That is an easy thing to do. Getting back to my point—

Mr. IRVINE: Have you got one?

Mr. MITCHELL: Now, the hon. member for Cariboo (Mr. Irvine) and I are friends of many long years standing. He is a little more mellow than he used to be, like myself. He learns from experience

Mr. WRIGHT: He did not slip as far.

Mr. MITCHELL: Well, I don't know; he has been pretty well all over the lot. He has about boxed the compass.

Getting back to my point, when my hon. friend interrupted me I was saying the wealth of a nation can be expressed only in the unit of production within that nation; and in my judgment—though I am quite frank to admit it is a matter of opinion—you cannot increase the living standards of the people unless the unit of production is increased. Of course I speak across the board, not of the exceptions.

An hon. MEMBER: A vague generality.

Mr. MITCHELL: No, it is not. My hon. friend represents a farming constituency. Probably he never farmed in his life; nevertheless he represents that constituency. We are talking about production; and I think the farmers of this nation stand in a position unexcelled by any other group in the nation because they have increased their unit of production as individuals.

Mr. QUELCH: The price of that unit has increased; that is the most important point.

Mr. MITCHELL: I should like to develop that argument, but I have not time now.

Mr. QUELCH: I am talking about the farmer.

Mr. MITCHELL: So am I. What I want to point out, following the line taken by the hon. member for Winnipeg North Centre, is that unless you increase that unit of production or at least maintain it, it does not matter how much you increase old age pensions, soldiers pensions, unemployment insurance or any other kind of insurance, because what counts is what you can get with the money you have in your hand.

Mr. KNOWLES: That is perfectly right, and we want the government to take steps to bring about increased production in this country.

Mr. MITCHELL: I have been drawn off my track by some of these interruptions, but in conclusion I want to say—

Mr. KNOWLES: The subject is old age pensions.

Mr. MITCHELL: That is right; but I can say to my hon. friend that I was talking old pensions before he lived in Canada.

Mr. KNOWLES: And don't forget to tell us that you signed the agreement in Ontario.

Mr. MITCHELL: Yes, I did.

Mr. MARTIN: Isn't that something to be proud of?

Mr. MITCHELL: I feel proud of it; and I also feel proud of the part I played in the establishment of workmen's compensation in Ontario.

Mr. KNOWLES: I think you should be proud of it, but I think you should follow the lead of the trade union movement, which asks for $50 a month.

Mr. MARTIN: Why do they not do that in Saskatchewan and Alberta and British Columbia?

Mr. KNOWLES: The responsibility is federal, and all the ministers know it.

Mr. MITCHELL: My hon. friend says the responsibility is federal. No one knows better than he that that is not so.

Mr. KNOWLES: It is so, and the minister knows it.

Mr. MITCHELL: Don't turn a sharp corner, now. No one knows better than my hon. friend the basic policy, how the grants in aid are actually made by the dominion.

Mr. KNOWLES: What about family allowances?

Mr. MITCHELL: My hon. friend knows about family allowances, too. He is not out in the little red schoolhouse now; he is before a jury of his peers.

Mr. KNOWLES: I offer my apologies to the noble lord.

Mr. MITCHELL: My hon. friend knows the constitutional basis for the establishment of family allowances. It is as clear as anything could be. The dominion has complete jurisdiction.

Mr. KNOWLES: That is right.

Mr. MITCHELL: Nobody knows that bettter than my hon. friend; and my advice to him—

Mr. KNOWLES: This is not charity or social service, which might be called provincial. This is security, a right of citizenship.

Mr. MITCHELL: My advice to my hon. friend is that he go back to Saskatchewan and make the same kind of speeches to the government of that province that he has been making to this government, and the same indirect reflections on the parties to his right and to his left. But I say that, whether you like it or not, the real driving force behind this legislation came from the trade union movement of this country.

Mr. KNOWLES: They want $50 now.

Mr. MITCHELL: My hon. friend was not in this country at the time I am talking about.

Mr. KNOWLES: I rise to a question of privilege, Mr. Speaker. A good many times in this house the Minister of Labour (Mr. Mitchell) has introduced as an argument the fact that he was in this country before I was. I submit that has nothing to do with the case. I came to this country at a younger age than he did; and when I came here I was coming back to the land of my forefathers.

Mr. BENTLEY: And I was here before the minister. Laugh that one off.

Mr. IRVINE: He is not all here yet.

Mr. DEPUTY SPEAKER: Order. The minister has allowed—probably encouraged—a great many interruptions. However I feel it my duty to remind the house that the minister has the floor and should not be interrupted.

Mr. IRVINE: What is the subject, Mr. Speaker?

Mr. MITCHELL: The subject is too interesting; that is the trouble. And if I might say so, if my hon. friends would stop interrupting and just listen for a while, it would be better.

Primarily, the men who are responsible for the establishment of old age pensions in Canada were the trade unionists of this country. And when I say that I am taking no credit away from the late member for Winnipeg North Centre, or from any other member from Winnipeg or any other place, irrespective of party. Let us give credit where credit is due. Old age pensions in British Columbia were introduced by a Liberal government. In Ontario they were introduced by a Conservative government. In Quebec it was a Liberal government, again; and so on, across the dominion. Let us not play politics in this, but give credit where credit is due. I say to hon. members from every province in the dominion: Here is the contribution of this government. Let those hon. members go back to their own provinces and make to the provincial governments the same kind of speeches they have been making in the House of Commons in this debate.

Mr. JAMES SINCLAIR (Vancouver North): Mr. Speaker, it is difficult for a back-bencher to follow a minister, particularly after that minister has covered the field as widely as the Minister of Labour (Mr. Mitchell) has done.

Mr. KNOWLES: He covered it widely, all right.

Mr. SINCLAIR (Vancouver North): It is also difficult for a back-bencher to rise in his place and be critical of his party. On most occasions, of course, it is the wise thing to keep silent, and do one's battling in caucus. However I should not like to remain silent on a matter which is of such great concern to the people of my province and of my constituency.

I can say to the minister who is piloting this bill through the house that the bill is a great disappointment to me, and it must be a very great disappointment to labour unions in my riding which have been such strong advocates of an improved scheme. And it must be a bitter, bitter disappointment to the old age pensioners of British Columbia.

Very high hopes were raised in that province and right across the dominion by the proposals in the green book of the dominion-provincial conference, which have already been referred to in this debate. I must admit that I stood on platforms and spoke with pride as to what the federal government would do in the way of better old age pensions, along the lines of what is contained in the green book. And so, when I find the present proposals so far from what was contained in the book I feel I must stand in my place, say my piece, and then, at the end, suggest what the hon. member for Comox-Alberni (Mr. Gibson) and I intend to do about the matter.

There are four major things wrong with the bill. They are the amount of the pension, the means test, the age limit and the failure now to begin to introduce a contributory pension scheme.

I need not go into these subjects at length, because the basic principles have been repeated again and again for many years by all hon. members on all sides of the house. However adequate or inadequate the amount may have been before the war, I am sure no old age pensioner today could begin to provide for anything like an adequate standard of living on the pension proposed.

It is all very well to look back to 1926 when the government introduced old age pensions, and to say that it was never intended to be a living allowance, and that it was intended only to be as a supplement to the savings which an old person had managed to accumulate up to that time. But as the years passed, more and more attention has been paid to considering it as a total pension. The depression aided in this movement, be-

cause few of our old people were able to save anything between 1930 and 1940, to provide for their old age.

So today at least in my province—and I am sure in many other provinces—old age pensions are actually to the great majority of pensioners their total living allowance. The cost of living has greatly increased. We have seen the well organized trade unions fight for and receive substantial increases in their rates of pay, in an effort to compensate for the increase in the cost of living. And that cost of living affects the aged just as much as it does those who are today employed by industry or by the government.

More than that, as was pointed out recently by the hon. member for Muskoka-Ontario (Mr. Macdonnell) there has been a downward drop in interest rates on bonds and securities, a good thing for the country but which has affected those people who put their money into government and industrial bonds in the hope that the returns from them would be of assistance in their old age. Because of those two factors, I say the present proposal, so far as amount is concerned, is quite inadequate.

I need not say much about the means test. It has already been described as being offensive, not only because it carries the taint of charity, but because, as was pointed out by the hon. member for Red Deer (Mr. Shaw) there is a continual prying, again and again and again, into the personal affairs of these old people. Certainly it is a great discouragement to thrift, a point which was covered the other evening by the hon. member for Rosetown-Biggar (Mr. Coldwell).

There was brought to my attention a case which affected a postman in my constituency who had been retired on a pension of $52 a month. He was complaining bitterly that if he had not been so thrifty and had spent a little more on beer instead of contributing to the superannuation fund, upon his retirement he could have got what some of his fellow postmen were getting on retirement, a war veterans allowance of $60. He had applied and got the difference of $8. To him there had been absolutely no advantage to have, during the years in which he was working, tried on his own behalf to make some provision for old age, and not to rely upon charity.

I believe there is a growing tendency to rely too much on the state. Instead of encouraging this tendency with a means test, we should be going in the other direction and giving people encouragement to make their own plans for their old age. Certainly the removal of the means test would be the first step to encourage people to make their own plans for their old age.

So far as the age level is concerned, the employment situation in Canada is not so good for people over the age of sixty-five, or even those over the age or sixty. We know that. The government itself, one of the greatest employers in the country, will not employ anyone anywhere near that age. Most industrial firms in Canada now recognize that at sixty-five years of age a man's working days are practically over, and that the same applies to a woman at sixty. That is why industrial pension schemes set these age limits.

Then, there is one factor which makes the situation worse. There is the human factor that most men do marry girls a year or two, or perhaps more than that, younger. At the present time we have a situation whereby when the husband reaches the age of seventy he will draw a pension of $30, but his wife who is sixty-eight or sixty-seven years old will draw nothing. So that if they are destitute their total living allowance for the two of them is only $30 a month.

A few minutes ago the minister objected strongly to comparisons being made between this country and New Zealand, Great Britain and other countries. He said in that respect that by allowing the husband a little larger theoretical earnings we were compensating for it. I do not find it necessary to make that comparison. Let us look at our own legislation. We have another old age pension scheme in Canada which is known as the war veterans allowance, and referred to by the veterans as the burnt-out pension. The principle behind it is that service in combat prematurely ages a man, even though he suffered no wound in combat. As he becomes older, his nervous system shows the effects of shock and exposure to combat fighting. And so at the age of sixty we pay an old age pension to any man who has had combat service. When the man is sixty years old his wife collects too, and they receive the full burnt-out pension of $60, not $30. I suggest that it is not necessary to refer to New Zealand and Great Britain, but merely to look at the very good legislation passed by this government just last year in that respect, under the supervision of the Minister of Veterans Affairs (Mr. Mackenzie), to get a precedent for paying double pensions to the husband, even if his wife is not yet seventy.

The point about which I feel most keenly in this whole statement is the failure to make any specific mention of the introduction

of a contributory scheme. One of the excuses or defences against going ahead with a larger pension scheme is the enormous cost. We talk so easily in terms of millions and billions these days that at times we forget we are a comparatively small country in population and that our tax bill bears heavily upon those who pay income tax. The figures which were offered in this house for a $50 pension at sixty years of age were $800,000,000 a year. Last year there were about 2,000,000 taxpayers, so that would mean an additional $400 to be paid annually by every income taxpayer.

The figure mentioned yesterday by the leader of the opposition was $560,000,000 for a pension of $50 at sixty-five years. There again, with the reduced number of income taxpayers this year that would mean almost $300 extra for every income taxpayer in Canada. While that may be some defence it should not stop the consideration of an adequate old age pension, because the way it can be done is to inaugurate now a contributory scheme.

The excuse immediately offered is that it would take a constitutional amendment and that we made our promises to the provinces that in all these dominion-provincial agreements there would be no suggestion of an amendment to the British North America Act. I think we can carry that sort of thing too far. I see no reason why the people of western Canada and the maritimes should suffer because of the obstinacy of George Drew and Maurice Duplessis. The government is wearing these excuses a little thin. I am quite sure there would be a much better feeling throughout the country if the government in announcing this inadequate measure, had said, "It is just a stop-gap for we are now preparing legislation for a contributory scheme which the provinces can, if they choose, adopt, but which at least will be a start toward the payment of pensions on a decent basis." Most of the people in my riding that I know do not want charity from the government. The labour unions in my riding say that they are willing to pay for their pensions during the period of their working days. The sooner such a scheme is inaugurated, the sooner the large sums necessary will accumulate and a great part of the present load can be taken off the government exchequer.

I am speaking, of course, in a critical fashion on this bill, but I cannot join wholeheartedly with the remarks of some of the opposition members. I was not in the least impressed by the remarks of the leader of the opposition (Mr. Bracken). He ducked around, quite skilfully for him, what the Conservative party would do. At the top of page 4294 of *Hansard* he is reported as saying:

> . . . and it is further estimated that a plan covering people 65 years of age and over, at $50 a month with no means test, would cost this nation $560 million a year.

He gives no indication whether that is the committed policy of his party. More than that, he has a responsibility—after all, he is paid by the people of Canada to act as leader of the opposition—to suggest alternative programmes which are practical. He makes no mention of how that $560 million is to be raised each year, except by the old implication of the Tory party that it can be done by cutting out extravagance. The hon. member for Rosetown-Biggar rightly challenged him on that—his party has been challenged before—and on other occasions the only extravagance which the Tories suggested could be cut out was the travelling expenses of the national film board.

Mr. FRASER: May I say that I can give you something on that.

Mr. SINCLAIR (Vancouver North): You were the one who suggested it; you have been challenged before.

Mr. FRASER: I can tell you what they are doing.

Mr. SINCLAIR (Vancouver North): Are you asking a question?

Mr. FRASER: Yes.

Mr. SINCLAIR (Vancouver North): Ask your question now and make your speech after I have finished.

Mr. FRASER: What they are doing there—

Mr. SINCLAIR (Vaucouver North): Ask your question. I will give the hon. member this credit; he is the one Tory who has suggested a way in which a little money could be saved. I want to say, however, that the people in the rural parts of my riding have a great admiration for the work done by the national film board, and would oppose reduction in their estimates.

Mr. FRASER: I can give you the whole story; I have it right here.

Mr. SINCLAIR (Vancouver North): You can speak after I have finished. As the estimates come out, on every item I should like to ask the members of the Tory opposition and the members of the C.C.F., who have shown a little appreciation of the difficulties of raising money because they have authority in Saskatchewan; "How much of this $560 million are you going to save on this item;

how much do you want to cut out?" Instead of talking loosely with a complete lack of responsibility, they should consider the matter in that way.

The attitude of the Tory party is best described by a phrase which I am quite sure the leader of the opposition thinks be used unfortunately. He accurately disclosed the Tory outlook toward our senior citizens when he called them the aged poor. That is certainly a return to the Tory policies of the middle eighteenth century with their poorhouse system.

More than that, there are two provincial governments in this country which are Tory run, one openly and one under another name. Let them begin to measure up to what the poorer western provinces are doing, and then there will be some justification for the many remarks they have been making. We will watch with great interest when the estimates come up for the great slashes which the Tories have promised so that they can find $560 million a year with which to pay $50 at sixty-five years, without any increase in taxation.

The C.C.F. were a little bit more guarded. The real leader of the opposition is the hon. member for Rosetown-Biggar. He has a little more expectation of being in this seat over here at some time in the very distant future. As I say, he was a little more guarded. He was not as explicit as the Minister of Labour, who got right down to the crux of the matter—taxes.

Out in British Columbia the C.C.F. are also quite guarded. Generally the C.C.F. in British Columbia are the revolutionaries of the party. That is the word they like to use. They are the great promisers. This spring they held a convention to which I have already referred. Colin Cameron, at one time member for Comox, was elected president. They discussed old age pensions at great length. Some of their delegates suggested, just like some C.C.F. members here have suggested, that we in the province should go ahead and give a $15 to $20 bonus. Mr. Winch, the British Columbia leader, answered, and I quote from the Comox *District Free Press*—this is interesting because this paper is published in the home town of the president of the C.C.F. in British Columbia—of Thursday, April 17, where he is replying to the suggestion that the C.C.F. as a provincial unit should pledge themselves to go on and increase the provincial old age pensions contribution. I quote:

> At the convention, house leader Harold Winch, referring to old age pensions, cautioned against committing a future C.C.F. government to permanent bonuses for which finances would have to be found.

[Mr. Sinclair.]

Mr. KNOWLES: That is right, the responsibility is federal.

Mr. SINCLAIR (Vancouver North): His friends at that convention did not think so. It was being urged that the provincial bonus should be supplemented. That is what they were wanting to do, but Mr. Winch seemed to think the mantle of leadership of the government was about to fall upon his shoulders and he was very guarded. That is the only reason I can think for the hon. member for Rosetown-Biggar being a little more guarded than the hon. member for Neepawa, on where the money was to come from.

A great deal has been said about the generous pensions paid in New Zealand and Great Britain, the inference being that those socialist countries are the only ones which can provide a decent pension. I am amazed that no mention has been made of the pensions paid in the western states of the United States of America, which, after all, is the last great home of private enterprise, such as Washington, Oregon, California and, above all, Colorado. Colorado has a basic pension of $45 a month which is paid for by taxes on racing and liquor, two admirable sources from which to provide old age pensions. They have a most excellent system—my source of information is the Canadian Press account of last Christmas, which I do not doubt—under which they do not allow any funds to accumulate from year to year. At the end of each year they declare a bonus out of the accumulated surplus, and this year the bonus was $220 per old pensioner. The result was that the pension paid in Colorado amounted to $63.30 a month. Therefore I do not think a government has to be socialist in order to pay an adequate old age pension.

Having been a little critical of the government and the government's proposals, as well as of the remarks of the Conservative and C.C.F. parties, I think it is only fair that I should say at this time how I think the pension should be paid for. I believe it would have been a most excellent start to have brought in today the actual proposals which were made in the green book. The fact that Drew and Duplessis do not agree is neither here nor there. Seven provinces have agreed, and I am sure that if that offer had come forward the others would have agreed. The federal payment would be $30 as of right without any means test, at seventy, and I am quite sure that my province, which is now paying $16.75, would continue to pay $16.75 as a supplement, making an adequate old age pension. The federal government would also

pay half of the pensions down to age sixty-five, which is getting the old age pension age limit reduced. It is true they were to have a means test there. Of course there is a defence for the means test. If you have only so much money in the national budget to devote to old age pensions then you should certainly see that it goes to those who need it most which means the means test does. There is a counter-argument, of course, that if paid to everybody, the rich would give it back in income tax. That is a fallacious argument, because even in the very top branch of the income tax there is at least a twenty per cent amount kept by the income taxpayer and in the lower branches the actual amount kept would be three-quarters. That amount would be kept by people who do not really need it.

I would suggest that the exact standard used in the family allowances be adopted. An hon. member said there was no means test in family allowances. But there is a restriction on a sliding scale up to $3,000 on the amount of family allowance given. The argument is used that those who have incomes above that level do not need the help; but to avoid the taint of charity everyone is paid as of right. I would suggest that if the means test for pensions at sixty-five in the green book proposals should be adopted, or even, if by unfortunate chance the present bill should go ahead as it is, that the same thing should be done. The old age pension should be paid as of right, and returns secured by our present income tax exemption on a sliding scale. Hon. members will notice that the total allowable earnings, announced by the minister, of the pensioner come very close to the bottom income tax salary or wage. Therefore there would be very little change there. It would remove the taint of charity, and it would also facilitate the payments of old age pensions across the country, as is the case in family allowances. I think, too, that the government could well copy their own act, the War Veterans Allowances Act and pay the double pension, not just permit double the allowable outside earnings, if any, but double pension to any man or wife who, on reaching seventy years of age, has a spouse just below seventy. That would be copying their own good legislation.

Lastly, and I think most importantly, a start must be made on a contributory pension scheme. The simple way to do it is as they did it in the United States, expand our Unemployment Insurance Act. We have the administration already set up, and an expansion of the unemployment insurance with a slight increase in premium would begin a contributory scheme for all the industrial workers in the country. The matter of finding funds then comes up. As has been pointed out by the Minister of Labour (Mr. Mitchell), we must face up to it. Any scheme which is not contributory must be financed out of the public treasury which means payment of taxes.

I did not speak on the budget. I have spoken neither on the budget in the house nor on the radio to my constituents, because I had the feeling that it would have been a far better thing at this time to go ahead and enact an adequate old age pension scheme rather than provide tax cuts. It is quite true, of course, that both the Tories and the C.C.F. went after the government for not having made greater tax cuts, but at the same time ask for increased expenditures. Anybody who is paying income tax today is earning enough to live on. I do not think anyone in my riding, which is composed mostly of industrial workers, would have given great opposition to a lesser tax cut had they known that out of that revenue an adequate old age pension would be paid. For that reason I say that I cannot stand here and talk lower taxes and higher old age pensions. I believe in an adequate old age pension, and will forgo tax cuts to get it.

There is one last thing I should like to mention as a British Columbian. My province has been mentioned a great deal here in a congratulatory way. The remarks made by so many hon. members from the other eight provinces only go to show that they are envious of our record, for today everybody has been speaking very well of British Columbia. But the thought that is left in the minds of most members is that British Columbia is doing this because it is a rich province. British Columbia is rich in natural resources, but unlike Ontario and Quebec it has not been made rich by artificial laws, by the tariff, by exorbitant freight rates over the mountains, by the concentration of industries such as has taken place in Ontario and Quebec. Whatever riches we have we have got in the face of merciless competition from the central provinces, by being forced to buy our supplies in their protected markets and sell our goods on the open markets of the world. We have managed to keep ahead only by plundering our natural resources. Despite our difficult economic situation, the government out there has a remarkable appreciation of the plight of the old age pensioner. Of course we have many more old age pensioners per capita than any of the other provinces. There are two reasons for that. The first is the mild climate. An old age pensioner who is drawing $30 a month cannot afford to spend very much

of that $30 on heating the room in which he is living, and so comes to British Columbia where a minimum of fuel is needed. The second reason is, of course, the fact that there is a higher pension paid there and old people are naturally attracted by this. That extra $5 is a very important $5 in the small amount paid to the old age pensioners. That is one reason why I cannot understand why the British Columbia government has agreed, as the minister says, to this new way of apportioning the provincial costs. If an old age pensioner has lived for the greater part of three years immediately preceding application in the province where he applies, that province is now to take the total cost. I foresee British Columbia paying old age pension costs for the whole of western Canada if that goes through.

I must say my feeling is that a basic old age pension sufficient to secure an adequate standard of living across the whole country is a responsibility of the federal government. But I also say that a progressive local government which feels that it should, because of either local wealth or local need, supplement that pension, should be encouraged to do so, as we are doing in British Columbia.

I had thought that to stand up today and simply talk and give my views would not be of much help, because they are not so very different from the views of most hon. members. The difficulty, however, of discussing old age pensions in this house is that we are speaking only with the facts and figures supplied from the government benches, and from those brain-trusters who are brought in to relay answers through the minister; but we have never had a good opportunity to take this legislation apart ourselves and to summon our own experts in a committee away from the committee of the whole.

It has been said in this house that no party has a monopoly on its interest in the problem of the old people. Unfortunately, however, the government has a monopoly on the preparation of legislation in that regard. My friend, the hon. member for Comox-Alberni came to me at noon today and suggested that perhaps we could do something about the matter. Instead of this bill being referred to the committee of the whole and the same vague sort of discussion being held again, this bill should be referred to the committee on industrial relations, where we could get before us some of the experts and question them ourselves. We could find out for ourselves exactly what it would cost the country to remove the means test, and what the constitutional difficulties are now in introducing a contributory scheme, and what the attitude of the provinces is—

Mr. MARTIN: It would cost $200 million.

Mr. SINCLAIR (Vancouver North): That is what you tell us. If it is to cost $200 million, then we should have the taxation people come before us and tell us in what way that money could be secured and what changes in taxes it would involve. The case of the old age pensioner could be much more fairly advanced and the plight of the old age pensioner more dramatically called to the attention of the country if, instead of this bill being referred to the committee of the whole after second reading, it were referred to the committee on industrial relations. Therefore, when it comes to that stage the hon. member for Comox-Alberni and myself shall so move.

Mr. T. L. CHURCH (Broadview): We are now dealing with the second reading of a bill to amend the Old Age Pensions Act. It brings into the act what has been done so far, including the start made in 1927 when the present government brought in the first old age pension scheme, as will be found in the revised statutes of Canada, 1927, chapter 156. By that act the dominion was to pay fifty per cent of the provincial expenditures. By an agreement with the provinces it was put on a fifty-fifty basis. By the revised statutes of 1931 that act was amended and the dominion increased its contribution from fifty per cent to seventy-five per cent of the provincial expenditures, and twenty-five per cent of the expenditures were carried by the provinces. By the statute of 1937 the blind, who should have been included long ago, were also added when they reached the age of over forty. I wish to state that, so far as I see it, the government have now gone seventy-five per cent of the way. They should go the whole way, because of the difficulties of this particular manner of doing business. I do not believe that it should be any part of politics. I do not believe that there is any room for party politics when we deal with so important a manner as care for the aged and afflicted. The problem is not political, but social only. After all, he that hath pity on the poor lendeth unto the Lord. The whole problem relates back to two important matters, overgovernment and overtaxation. We must remember that times have changed since the British North America Act of 1867, because there were no aeroplanes, no telephones, no radio and no automobiles when that act was passed. The development that has taken place in every direction since that time has resulted in

overgovernment and overtaxation and waste in this country, and it is almost impossible for us now to deal with any social problem because of overlapping of jurisdiction and duplication of effort between the provinces and the dominion. The municipal system is an extension of the provincial system; in other words, we have one local system within another.

I should like to refer for a moment or two to the history of this question. When I first entered the House of Commons I pointed out, as I have pointed out many times since, that the larger municipalities of the country had instituted in the very early days of the century, in 1904, pensions for firemen, policemen, schoolteachers and others engaged in various services, on a contributory basis. As I say, however, owing to changed conditions it is impossible under the system we now have, and owing to the difficulties involved in the British North America Act, to deal properly in a contributory way with this problem. In the early days in Toronto we had a pension scheme, not contributory, whereby we paid $6 a week at the start and increased it to $12 for every employee over the age of sixty who was incapacitated or getting too old to carry on. In Toronto we have a local old age pension board, and I might say that the actual number of residents of our city receiving old age pensions in December of last year, the last year of record, was 11,425. They qualified under the act, and the amounts paid out totalled $3,672,000. At December 31, persons receiving blind pensions, paid to those over the age of forty, received $83,000. The city was required to provide office space for purposes of administration.

When I entered the House of Commons in 1922, I had a motion on the order paper with regard to this whole question of old age pensions. It was on the order paper the first day I came here, and in that motion I proposed that we should follow the system which had been followed in the old country, in France and elsewhere so as to give some direct aid to the aged by a modern system of old age pensions. Everywhere people were lodged in gaol or in homes of one description and another for no other reason than the fact that they were no longer able to make a living. They were too old to work. As every medical health officer will tell you, there is always a large part of the population who will be unable to work. There are about twenty-five per cent of the people who, from physical causes, find it impossible to earn a living. As I say, I introduced a resolution into the house in 1922, and Mr. Woodsworth, at one time a member of this house, put on the order paper a similar motion a few months later. Both resolutions were referred to the industrial relations committee and that committee reported favourably to the House of Commons, but evidently the members at large were not prepared to support the proposal. There were a few votes for it on that occasion. This matter was referred to last year by the hon. member for Mackenzie (Mr. Nicholson), who gave a fair statement of what had been done up to that time by Mr. Woodsworth and myself.

In 1927 the present government introduced the first legislation dealing with old age pensions. I suggest that the government should go much further than it has gone. In fact it should go the whole distance. It is contributing seventy-five per cent, and with such economy as could be effected in the administration of other departments it might very well go the whole way. The minister has made a considerable extension under this bill. In 1940 the government's contribution was $29,141,000. Of course a stupendous war was on and not much could be done, but in 1941 the amount was $28,472,000; in 1942, $28,770,000; in 1943, $30,496,000. Then they brought in the blind. In 1944 it was something like $38,000,000 and in 1945 the amount was $40,722,000. Now it is $60,000,000 and, if I understood the minister's speech correctly, this year's bill is not final; it will go eventually to nearly $100,000,000.

So far so good, but one of the objections I have to this way of looking after the problem is the means test. I am opposed to it. It is well named when it is called the "means test". I know a family in Toronto with five children. The father died, having been unable to work for years, and he had been getting an old age pension of a total over the years of $472. After he had died they billed his estate, which was worth very little, if anything, apart from a small house, because this means test had to be applied.

Some provision should be made in these grants to take care of the high cost of living, because today a room costs more than the amount of the pension for one person. You have to pay the amount received by the pensioner, $28 or $29 or $30 a month, and sometimes it is almost impossible to get a room for that amount.

The blind were brought into this scheme and throughout the provinces, from Prince Edward Island to British Columbia, there is an average of $24 per person. I suggest that special consideration should be given the blind

because they must have a guide, and they have to meet other expenses that persons not so afflicted do not incur.

I hope that in the recess of parliament some study will be made of this problem. The government should canvass the whole situation and we should have a national system of old age pensions, because that is the only way in which we can properly deal with the problem. The day has long gone by when it should be made a political football, something peculiar to the party system—"You did this; we did that", and all that kind of thing. Where do the poor people come in in the meantime? "Faith without works is dead."

Another objection to the system is, I think, the residence provision of twenty years in the country and the five-year residence rule in the provinces. That rule should be amended, because twenty years is altogether too long to qualify for a $30 pension. I hope there will be some improvement in the law. The government should make it a national responsibility and take it over from the provinces. Even if you pass this bill, you will have to make agreements tomorrow with the provinces, and that will take months, so that probably next winter no one will qualify to gain anything under the legislation.

Mr. ANGUS MacINNIS (Vancouver East): Several members prefaced their remarks in this debate by saying that no party had any monopoly of the concern for the welfare of our senior citizens, as the phrase has been used. I am quite willing to agree to that without any reservation. I have a particular interest in this matter myself because, among our group, as I suppose among all parties in this house, we try to have our members specialize in the things in which they are most interested or for the consideration of which they are best fitted. In the arrangement of work the matter of old age pensions was allotted to me. In the last two sessions I introduced resolutions urging this House of Commons to give an expression of opinion on the Old Age Pensions Act. On both occasions I asked for three changes in the act: reduction in the age, an increase in the amount of the pension, and removal of the means test. This afternoon I shall try to confine myself to urging upon the government that they take further action in those three vital matters.

Yesterday the Minister of Veterans Affairs (Mr. Mackenzie) asked the leader of this party, just as he was concluding his speech, if we were opposed to the improvements in the Old Age Pensions Act amendment which is now before us. That is an old political catch question. I want to reply to it right away and say that we will not vote against this bill as it is, although we consider it shamefully inadequate. I think the storm which the introduction of this bill has raised in this house, and what has been said on both sides, should be sufficient proof to the government that the measure they have introduced meets with the approval, neither of members of this house, nor of the people of this country.

When the Minister of Labour (Mr. Mitchell) spoke a little while ago, he said he favoured a contributory form of old age pension, so that the pensioner would get his pension as of right and not as a charity. Surely the minister did not want to imply that the pension now is a form of charity. Even as a form of charity it is inadequate. But for my present purposes I do not care whether it is on a contributory basis or whether it is paid out of the consolidated revenue funds of the federal and provincial governments. I contend that it is not now charity and cannot be defined as such. By and large, the people who receive monetary benefits under this scheme have earned their right to them because of their contribution as citizens of the country, and I object to any attempt to place it on the basis of charity.

The first point I shall deal with is the amount of the pension. When introducing the measure yesterday, the Minister of National Health and Welfare (Mr. Martin) said that this was in effect an increase of $10 a month.

Mr. MARTIN: No.

Mr. MacINNIS: I think that is what he said.

Mr. MARTIN: In statutory form.

Mr. MacINNIS: That is quite right. I was going to point that out, because the $5 previously added was by order in council. That makes the old age pensioners' benefit $30 a month. I should like either the minister or some other member of the government to explain how they came to conclude that $30 a month was an adequate pension. What was the test or the formula applied as a result of which they found that a person, after the age of seventy, could live decently on $30 a month?

Mr. MARTIN: It was never intended that they could.

Mr. MacINNIS: If the government did not intend that they could, they must have come to the conclusion that they could not. Hav-

ing come to that conclusion, how is it that they still made the amount $30 a month?

Mr. MARTIN: And they could not live on $50 a month, either.

Mr. MacINNIS: If they cannot live on $30 and cannot live on $50, why have we $30 in this bill? That is what I want to know.

Mr. MARTIN: I might then ask the hon. member, why he does not oppose $50?

Mr. MacINNIS: Because I have a feeling that they could make a living on $50 a month. My friend shakes his head and I am glad that he does because it strengthens my position. If he wants to increase it beyond $50, he will have my support.

Mr. MITCHELL: Did my hon. friend say the pensioners could live on $50 a month?

Mr. MacINNIS: Yes. I believe they could. They would not have a very good living. I want to assure him that they could not live as well as he and I can live. Nevertheless I believe they could get by. But I do not think they can get by on $30 a month.

I know a great deal is made of the fact that the amount of income pensioners can have, over and above the pension, has been increased, and I am grateful that has been done. But those who receive benefits under this bill fall into two categories, namely, those who depend on the pension for their entire living, and those who have other income with which to supplement the pensions. The minister has said that they cannot live on $30 a month and that they cannot live on even $50 a month. I think there is general agreement that no individual in Canada can live on $30 a month and that if they are compelled to try to exist on that amount, it just means slow starvation. In this rich country, where we have demonstrated that we can produce so abundantly, I am of the opinion that no one should be asked to live on an income which means ultimate starvation.

Let us look at the situation as it really is. I obtained cost of living figures today from the bureau of statistics. Taking the cost of living index of 1935-39 as 100, as at May 1 of this year the cost of living index was 133·1. That was the general cost of living index. That is an increase of one-third in the cost of living since 1939. One-third of $30 is $10; and with the addition of this $10 the old age pensioner is where he was in 1939. In my own opinion he is even worse off, because the cost of living index for food, which was 100 for the period from 1935 to 1939, was 154·9 or 155 on May 1 of this year. Since those in the low income brackets spend a greater percentage of their income on food than those receiving larger incomes, consequently the $30 received by the old age pensioner is worth considerably less than it was in 1939.

Mr. MITCHELL: My hon. friend is quoting the food index, not the cost of living index.

Mr. MacINNIS: I mentioned both. The first was the general cost of living index, or the average of the various items, which is 133·1; while the food index is 154·9. So we can say that under this measure we are not really holding our own. It reminds me of those folk in "Alice in Wonderland" who had to run with all their might to remain in the same place. Here we are doing exactly what we have been doing all along the line by our reductions in income tax, the elimination of subsidies and so on. We are helping those who have something already and taking away from those who have not, even the little they have. So I would suggest to the minister and the government that the proposal made by this party early this winter, of $50 a month, is not a bit too high.

The next point I want to touch upon is the eligible age. When the Old Age Pensions Act was passed in 1927 the eligible age was set at seventy. I could never understand why it was done. I have a suspicion, realizing the familiarity of the Prime Minister (Mr. Mackenzie King) with scripture, that it was because in the ninetieth psalm it says the age of a man is three score years and ten, and they decided that if they made the age seventy, which is three twenties and ten, and made the pension $20, it would not cost the government much anyway as no one could live very long on that amount. And we are still sticking to it. I do not wish to bring into this debate any invidious comparisons as between what Canada is doing and what other countries are doing in this regard, but I will make a few comparisons. I should like, before doing that, to quote from the proposals of the dominion government to the dominion-provincial conference on reconstruction in August, 1945. On page 37 and other pages of this document considerable space is given to old age pensions, and I am going to quote briefly from those proposals because they express the opinion of this government at that time..

Today the question was asked as to whether Saskatchewan would now increase its supplementary contribution to equal that of British Columbia and Ontario. That question is one of those political catch-phrases that should not be used at a time like this. You might ask the same thing in regard to Prince Edward Island or New Brunswick or Nova

Scotia or one or two other provinces. Some provinces in Canada can increase the amount of pension above $30 a month, but there are other provinces which, no matter how much they might desire to do so, cannot because of their limited financial resources. In the proposals made by the federal government to the conference in 1945 that fact was recognized. They said:

> Thus, in one province 28 per cent of all persons age 70 and over were receiving old age pensions in 1945, and in another province 57 per cent. Likewise, the amount of average monthly pension varies from $18.63, in one province to $29.41 (including provincial supplement) in another.

Then I want the minister to pay particular attention to this:

> Generally speaking, the need for pensions is, as might be expected, greatest in those provinces which are least able to finance such payments out of local revenues.

What is the use of all the tommyrot, asking is this province going to do this, or is it going to do that? As I have pointed out, several provinces, no matter how much they may want to increase the pension, cannot possibly do so, as the minister knows very well.

Mr. MARTIN: Does that apply to Saskatchewan?

Mr. MacINNIS: That applies to the province of Saskatchewan.

Mr. MARTIN: Did you read the last budget speech of the provincial treasurer of Saskatchewan?

Mr. MacINNIS: Yes; and I can tell my hon. friend that the provincial treasurer of Saskatchewan pointed out that the province's good financial position was due, in some measure at least, to the prosperity of this country resulting from the war; that perhaps prosperity on that scale will not continue, and they have to think of the future as well as the present.

Mr. MARTIN: There is a difference between the C.C.F. in opposition and the C.C.F. in power?

Mr. MacINNIS: Well, I would not disagree with my hon. friend, because I think to disagree with him on that point would be dishonest. All parties when in opposition say things and ask for things to be done which they do not say or do not ask to be done when they become the government. The minister's friends and indeed some of his colleagues in the cabinet are sinners in that respect, as well as others.

Some hon. MEMBERS: Hear, hear.

[Mr. MacInnis.]

Mr. MITCHELL: It took some courage to say that, Angus.

Mr. MacINNIS: Well, I don't know; I realize that it affects your effectiveness as an opposition member, but during my time in this house I have tried not to ask the government to do anything I would not be prepared to do myself if I were in the place of the government. So now when I ask the government to increase the pension to $50 a month, I am asking them to do something I would do if I were in the government; and if it were not done I would walk out of the government. I will now put on record some of the government's own policies in regard to old age pensions, as presented to the dominion-provincial conference in 1945. The section to which I am referring is entitled "Deficiencies of the present scheme," and may I say this bill has removed very few of those deficiencies:

> (1) The means test is generally recognized as undesirable after a certain age. It has been noted that about 40 per cent of all persons of seventy years of age and over make application, satisfy the means test requirements, and receive pensions.

That is, forty per cent under the Old Age Pension Act as it is at the present time, which demands almost absolute destitution for qualification. Forty per cent of the people reaching the age of seventy years in this country, who make application for old age pension, satisfy the means test requirements and receive the pension. I say that does not speak well for the fairness of the distribution of wealth in this country. Then it goes on:

> There is little doubt that a very considerable number in addition are not able entirely to support themselves but are dependent upon their family and refrain from applying for pensions because of the embarrassment occasioned by the means test.

If you have not there all the arguments necessary for the removal of the means test, particularly after the age of sixty-five, then I do not know what other evidence can be produced. As the hon. member for Winnipeg North Centre (Mr. Knowles) has said, it is the government's own statement. Then:

> (2) The minimum age of 70 though convenient as a dividing line with respect to the payment of any kind of universal old age pension, is nevertheless too high in a number of cases of actual need. A strong case can be made for reducing the age limit to 65 in order to provide assistance at least for those in the age group 65 to 69 who are actually in need.
>
> (3) The statutory amount of $20 per month, although increased to $25 during the war, may still be too low as a national minimum.

That is an understatement, if I ever heard one.

(4) Any broad extension of the present plan would impose serious burdens on limited local revenues in a number of provinces. Even without such an extension, the costs will increase very considerably as the proportion of old persons in the population will continue to rise for 30 or 40 years.

In view of that, I ask this question: How can the government bring down a measure of this kind without a substantial increase in the amount of pension, and without a substantial reduction, if I may use that term, in the eligible age?

As I said before, I do not wish to make comparisons. I do not indeed want to say anything that would give my remarks any partisan or political connotation. But I must point out that, so far as I know, there is no other country, comparable in wealth with ours, which has an eligible age as high as ours, an eligible age of seventy years. In Great Britain the age is sixty for women and sixty-five for men. In New Zealand it is sixty for both men and women, and in Australia it is the same.

A person could go on for an hour giving reason after reason why the eligible age should be reduced at least from seventy to sixty-five.

Mr. MARTIN: We want to do that, too.

Mr. MacINNIS: The minister says they want to do that, too. If so, why do they not do it?

Mr. MARTIN: I can explain that, if the hon. member will let me.

Mr. MacINNIS: The minister will have an opportunity to close the debate.

Mr. MARTIN: Very well.

Mr. MacINNIS: I should like to hear him explain that one thing. I know that he will say that if they were to reduce the age, perhaps the provinces would not be able to carry their share. But in the proposals made by the government to the 1945 conference, a plan was offered under which the dominion was going to assume the total cost of $30 a month without means test for old age pensioners. That would be for all persons over seventy years in Canada.

Mr. MARTIN: Seventy and over.

Mr. MacINNIS: Yes, seventy and over. I tell the minister and the government there is nothing to prevent their doing that. In my speech on the budget last year, I urged that the government enter into agreements in matters of social welfare with those provinces which were willing to enter into such agreements. I am sure, if the government did that, the pressure of opinion in the other provinces would force those governments to enter into such an agreement. As a matter of fact that was the basis upon which the Old Age Pensions Act was drafted in the first place.

Mr. MARTIN: Would the hon. member permit me to say one thing—and I know he is interested. The government, and I as a member of the government, are interested, not only in seeing an adequate system of old age pensions, but also in seeing other types of social insurance, including health insurance. When one brings in a matter of this kind I think the hon. member will agree that one must bear in mind the whole scheme of social security which is wanted. We want health insurance. We want adequate old age pensions. We want different forms of social insurance. It is because of these considerations that, in the matter of cost, one has to bear in mind the consideration which at this time the government has borne in mind.

Mr. MacINNIS: It was pointed out yesterday that if what is involved in this particular instance, and what we are suggesting, were done, it would not equal our war costs for more than a week. Yet if the war had gone on for another year, or for several years, we would still find money to carry on.

I am not at all impressed with the statement made by the minister. In 1943 and 1944 we had before us a health insurance bill. A committee on social security sat for two sessions of parliament dealing with the provisions and implications of that bill. Yet, as I surmised would happen, after the election was over, nothing more was heard about it.

So when the minister tells me that the government would like to do this and would like to do that, I tell him the government has power to do it now. And if the government does it, it will receive the support of the group with which I am associated, and receive it most effectively.

Mr. CLAXTON: Does the hon. member suggest that the government has power to introduce a contributory scheme?

Mr. MacINNIS: It may and it may not. The government has an agreement now with the provinces—at least with seven of them—for the collection of all income tax. The dominion government may—and perhaps we may use a stronger word—if it chooses the dominion government can use a proportion of that income tax as a contribution to a social security programme. I do not believe social security should be on an actuarial basis. I believe social security benefits should be provided for by contributions from income, and if those contributions are not sufficient to

meet the monetary demands they should be supplemented by sums from the consolidated revenue fund. The social security books should be cleared off each year as we do at the present time with our ordinary expenditure.

I do not believe the government has made out a good case in this matter, so I suggest that when the bill is in committee the minister move the necessary amendments to bring the eligible age down to sixty-five years. The retirement age for government employees is sixty-five years. Good employers in industry are endeavouring today to put pension plans into operation so that they can retire their employees at sixty-five years. Employers who do not come within the class I mentioned try to get rid of their employees as soon as they are unprofitable. When they reach that stage they are thrown on the scrap-heap. With the exception of those with special training or qualifications, it is impossible today for a man over fifty-five years of age to obtain any kind of work.

Mr. MACKENZIE: It looks bad for me.

Mr. MacINNIS: It has been bad for me for a long time. In hiring persons for the civil service, the government will not hire any one over thirty-five years of age unless he has a veteran's preference. Therefore I suggest that there is no justification for maintaining the eligible age at seventy years. The government's own proposals in 1945 made out the best case I know of for lowering the age and abolishing the means test. When I spoke on this matter last year I referred to the percentages of applicants for old age pensions who held real and personal property. The percentages I gave were:

Holding real property of value	Per cent
Under $251	57·41
$251 to $500	8·66
$501 to $1,000	13·68
$1,001 to $2,000	14·20
$2,001 to $5,000	5·80
$5,001 and up	0·25

For personal property, the figure was much less.

It is not right that people should be put to the humiliation of revealing their every source of income in order to get the miserable pittance provided by the present act or by the bill now before us. I want to say that we shall vote for this measure. We have expressed our disapproval of its inadequacy in the strongest terms that we can use, and I believe we have done that with the general approval of this house. I want to make it quite clear that we shall continue to point out the inadequacies of this measure in the country after parliament prorogues.

Mr. MARTIN: We shall seek to improve it in the light of our desire to realize a complete programme of social security.

Mr. MacINNIS: I rather think the minister did not make the best use of his time when this bill was introduced. If he had made better use of his time before the bill was introduced he would have made a better speech when introducing it. But not having made good use of his time, he is trying now to make good use of mine as he has tried to make good use of the time of every hon. member on this side of the house who has taken part in the debate. I suggest that, before this debate ends, he prepare himself to wind up the debate and make a really good speech.

This bill does not meet the needs of the senior citizens of Canada. It is not what the country wants; it is not what the country expected, and it is not what the country is willing to pay for. To bring forward such a puny measure to meet so great a need will not, I was going to say add to the prestige of this government, but I must say more than that and say that it constitutes a disgrace to this government.

At six o'clock the house took recess.

After Recess

The house resumed at seven o'clock.

Mr. E. G. HANSELL (Macleod): When the house took recess at six o'clock we were discussing the bill on old age pensions which had been brought down yesterday by the Minister of National Health and Welfare (Mr. Martin). I cannot think of any piece of legislation this session that could mean any more or be any more important perhaps than legislation on old age pensions. I do not suppose that I ever visit any part of my constituency without having someone come to me and ask what is being done on behalf of our aged citizens. We are all asked such questions as: When will the pension be raised? When will the age limit be reduced? And what answers have we been able to give? Over the past few months, and particularly since the session opened and the speech from the throne was read, hopes were raised. At last the long expected has happened. The bill has arrived. I do not want to be considered too harsh this evening in my criticism; but I will say that the forty or fifty-minute speech which the minister made when he

introduced the bill amounted to nothing more or less than an apology for a poor job badly done.

I cannot imagine how it is that, with all the wealth of our country, all that we are able to do is to increase the old age pensions by around $5 a month. We live in perhaps the wealthiest country in the world in respect of natural wealth and productivity, and yet all we can do is to give our aged people the barest necessities of life. With our abundant wealth we can keep the wolf only from coming too far inside the door.

In his speech the minister made a great deal of the Liberal government's desire for social security. He referred to the present Liberal leadership and carried us back over the years in an attempt to show the gradual growth of their social service programme. Then he projected the house into the future in another attempt to show how the present administration has worked toward contributory social services, including a scheme for contributory old age pension. The alarming thing to me is that, when he said that, he also told us that fifty per cent of our aged people are on old age pensions.

The present administration have been at the helm for a good many years. It has been their responsibility so to legislate and so to administer the affairs of this country that people should be able to have security in their old age, and yet the same administration of which the minister boasted so much find themselves in a position where fifty per cent of our aged people have not been able to make life secure and contented for themselves. I wonder whether the minister is proud of that.

In talking of a contributory old age pension scheme which he hoped the present government might be able to introduce at some time—he did not say when; perhaps when I am a very old man—the minister said that if the government went too far in giving to our aged citizens too large a pension scheme it might have the result of throwing everything out of balance when the time came to put in a contributory scheme. That is tantamount to saying to our aged, "We are sorry we cannot give you more because when we eventually ask our younger citizens to pay for their security when they are old they will revolt and say, why do we have to pay for this? Our mothers and fathers have all the security they want and they did not have to pay for it." The minister might just as well have said that. When he made those remarks he emphasized with great tenderness, if you please, that he was saying it with the greatest respect. I said I did not want to be too harsh, but I say to the minister as kindly as I can that he said it with the greatest disrespect.

Now, Mr. Speaker, the government want to move on from the present old age pension scheme, which is non-contributory, to a pension scheme which is contributory. In other words, they want to move from the present taxation scheme to another type of taxation scheme in order to pay them that pension. At the present time we are all taxed to pay the aged. That is nothing more or less than a form of charity. When we tax the people themselves under a contributory scheme, so that by that taxation they put aside something for themselves in their declining years, then we chisel on their present incomes. So that what the government desire to do is to move from the principle of charity to a principle of chiselling.

Surely the citizens of this country have what might be called a common heritage. Here we are living in a very modern civilization when we can produce so much because of our scientific power age. Who is it that supplied that science and that power? Was it the present generation? Why, of course not. Throughout the centuries of time, civilization developed, one generation built upon another, and the reason we live in this modern age is that our forefathers long since left us a common heritage. Surely it is not just to say that the only people who can inherit that common heritage are those who have invested their dollars; in other words, it is not just for that common heritage to go only to those who happen to have the monetary units that have come their way.

The minister gave a great number of figures and a great deal of statistics. His speech seemed to be loaded with figures and statistics. And what was it all for? It was all for the purpose of trying to impress the country with the idea that the government could not afford to pay any higher pensions. We cannot afford to do it! I wonder what that phrase means. I said we had come along through the centuries of time to a very high order of civilization. Let us go back over the centuries and see what sort of civilization they used to have, and we can go back to the cave men if we want to.

I imagine the cave men are holding their council meeting and the chief of the council says: "Gentlemen, we have a younger generation coming along; our population is increasing; it is necessary for us to establish another community just across the river. Let us discuss the question how we can establish that

community. Have we enough stone in the vicinity? Have we enough lumber? Have we enough human skill in our tribe?" Through the council of these cave men they decide: "Yes; we have the stone; we have the timber; we have the human skill". In other words, they decide that it is physically possible to do it.

Now imagine some younger man of the council rising in his place. I do not suppose this younger man was from the constituency of Essex East; I do not suppose he was the minister of health and welfare in the tribe. But suppose some young chap in the council should rise and say: "Mr. Chieftain, may I have a word? It is true we have the stone and the timber, the man-power and the skill; but, Mr. Chieftain, do you think we can afford it?"

I think the chieftain would look at that young man and say: "Young man, are you not feeling very well?" Now, if we have come so far in our modern civilization, if we have developed so much in our modern way of living, have we become so confounded with our science that we are behind the men of the stone age? They did what to them was physically possible, but even though it be physically possible for us to produce an abundance and to distribute it to all, the minister rises in his place and says, "Yes; it is physically possible but we cannot afford it." I feel like asking him if he is not feeling very well. Yet he is the minister of health. He should be feeling all right.

It is true, is it not, that the present Liberal administration of this country have the power to do three things. They have the power to legislate; they have the power to tax—and believe me they have been exercising that power—and they have the power to create the means of payment out of nothing, the way our present banking system is doing it today. They have all three powers, and yet they say they cannot afford to increase the old age pension. What do they mean? Do they mean that they cannot afford to create the means of payment? Do they mean that they cannot afford to create those monetary symbols we call dollars, which is only another name given to figures used for a certain purpose?

Suppose this country wanted a road somewhere and the minister should rise in his place and say, "Well, yes, we would like to have that road. We have the gravel, the machinery and the man-power, but we cannot build the road because we have not enough miles". Then we would surely ask him if he was not feeling very well. But he might just as well say that we cannot build the road because we have no miles as to say that we cannot increase old age pensions because we have no figures. That is the truth of the matter. They have the power to legislate. They have the power to tax if they wish to, and we do not believe they have to tax to do it; they have the power over currency and credit.

An hon. MEMBER: Hear, hear.

Mr. HANSELL: My hon. friend says, "hear, hear".

Mr. BROOKS: That is all he ever says.

Mr. HANSELL: I like to hear him say that. Then why does not his government use its power?

An hon. MEMBER: It does not know how.

Mr. GAUTHIER (Nipissing): The water is too high.

Mr. HANSELL: There is another thing our aged people were desirous of, and this bill will be a sad disappointment to them. They were desirous that the means test should be done away with. The Minister of Labour (Mr. Mitchell), in his speech this afternoon, said that in matters of this kind we should stop playing politics. I am now going to read to you, Mr. Speaker, an advertisement which appeared in every daily and weekly paper in this country prior to the last election. It was published by the national Liberal committee. The address is not given but it emanated from the Liberal headquarters in Canada. It is entitled "Just Plain Sense". In item 9 of this very large display advertisement I read this with respect to old age pensions: "Higher pensions, lower age limit and no means test." If anybody is playing politics, who is it now, after catching votes on the basis of that and then bringing in an old age pensions bill which does not lower the age limit and still retains the means test?

Mr. BLACKMORE: That constitutes a betrayal.

An hon. MEMBER: That is Liberal politics.

Mr. HANSELL: Yes, that is Liberal politics, when they raise the hopes of our aged mothers and fathers and then dash them to pieces when they bring down the bill. The very word "pension" means that a person is given a certain security for life. The word "pension" does not carry with it any idea of charity. The very moment the means test is brought into the old age pensions scheme, it is reduced from a pension to charity. As soon as the factor of financial

status comes into the picture, the whole character of the plan is altered. It is not a pensions scheme at all then. It is nothing more or less than glorified charity which is imposed upon our aged parents by a system of beggary. Our aged mothers and fathers do not mind proving their age. Some of them are proud of the honour. Some of our aged people are revered. We respect them. One of the first Christian principles is respect for the aged. When they apply for old age pensions, they are quite willing to prove that they were born on a certain day and that they have now reached pensionable age. It is not humiliating for them to prove their age. But they must not only prove their age; they must prove their poverty. Furthermore, because of existing regulations, they must prove that they will continue to be paupers. I want to ask if that is a respectable old age pension scheme. Surely when a pensions act is brought down, it should be brought down with dignity for our aged people. Surely we should say to our aged people, "You have lived well. You have pioneered this country. We now give to you part of your heritage as a right of citizenship. We give you the reward for being respectable citizens."

There is something else which should be involved in any pension scheme. Any government or any treasury board should administer a pension scheme with this one great principle in mind: we are now giving it to you and we want to give you more. But what has happened through all the regulations we have had in our pensions bills? We have had regulations which have made inspectors nothing more or less than white-collared sleuths going around to see whether or not our aged parents earned a dollar.

Mr. LOW: Or found one.

Mr. HANSELL: Yes, or found one.

Mr. BLACKMORE: Or had one given to them.

Mr. HANSELL: Or if their son, who has a fair position, gave them a little present once in a while. It is a great civilization we are living in, is it not? It is a great country we are living in, is it not? It is a great government we have in this country, is it not?

Some hon. MEMBERS: Hear, hear.

Mr. NICHOLSON: There is not much enthusiasm in those "Hear, hear's" from the other side.

Mr. HANSELL: If that whole Liberal side were filled with people over seventy, you would not hear one "Hear, hear," coming from that side of the chamber.

Some hon. MEMBERS: Hear, hear.

Mr. LOW: They all want to be in the senate.

Mr. HANSELL: Our aged parents cannot earn a dollar without having the bloodhounds on their tracks. Parliament passes legislation for the purpose of providing pensions. That, shall I say, should be our objective. But the government comes along and makes such regulations that, in effect, they take upon themselves to do their best to prevent our aged people from getting the full pension. That is what actually happens in practice. I said that pensions as administered today and as administered under this new bill are a form of charity. Our aged people have to prove their poverty. Let me ask one question. Why is an aged person poor in this country? Here is one thing I should like to say at the very start. As I used to go around in those depression days—and I do not want to refer to that too much—how often hive I heard this remark, "Oh, well, that man has not got anything because he was not thrifty enough; he did not save enough."

Mr. BLACKMORE: Too lazy to wark.

Mr. HANSELL: Yes; that he was too lazy to work, and so on and so forth. Thrift was regarded as a sort of virtue. Let me say that it is time we were revising our thinking. In these days the term "thrift" has become perverted. We formerly used it in the sense that mother would sew patches on our trousers; she would save materials, and put away foodstuffs so that they would not spoil. Why? Because in an age of scarcity people had to practise thrift. But in a modern civilization thrift has become nothing but a pinch-penny business of never spending. How are the wheels of industry made to go around? By people spending. I want to say, with the greatest respect, that a good citizen is one who will spend his money. It is a poor citizen who will save his money, strange as that may sound, because you cannot save money and at the same time turn the wheels of industry.

Mr. BLACKMORE: Nor make jobs for people so that they can earn income.

Mr. GIBSON (Comox-Alberni): You can invest it.

Mr. HANSELL: You see this is an asinine system under which we are living. A man has to save or he will not have anything; yet the more men save, the less our ultimate production becomes, and the less we get. It is all back end forward, and the present administration evidently have not the wisdom to

put the right end forward. The same thing goes for contributory pensions, which simply mean that money is taken out of the stream of purchasing power. We need to recognize that we have passed that pinch-penny phase of finance, and that we now live in an age of abundance.

I should like to refer to one or two other matters before my time speeds away. There is another disappointment which will be sad for our aged people; that is, that there is no reduction in the age limit. They were hoping that something along this line would be done. I can quite understand the government not being able to give us all the details and facts and figures of their pension scheme ahead of time, but at least they could have said something like this: "We will raise the old age pension, we will not say how much, but we will not lower the age limit." Then our aged people would have known what would happen. But that is not the picture; the picture is that our aged people were living in hope that the age limit would be lowered. Why did the government not come out and say, "We want you aged people to know you cannot expect the age limit to be lowered at the present time," instead of raising their hopes and then dashing them on the rocks of disappointment?

I should like to mention a few other things with respect to pensions, but I shall touch upon them only in passing. There is a class of people in this country who are entirely forgotten. I mentioned this last year; I shall mention it again now. I refer to those people who are numbered among the incurables. This does not, I know, come directly under old age pensions, but here are young men and young women who have been struck down by infantile paralysis, epilepsy, and so on. They are bed-ridden cases, pronounced absolutely incurable, and are thrown upon charity for the rest of their lives. In a land of abundance, a land of wealth, a land where we are short of nothing, we cannot look after them. I wish some Liberal member would explain why that should be. The only explanation they can give is: "We have not the money."

Mr. BLACKMORE: We have not the intelligence in high places.

Mr. HANSELL: I am glad the hon. member for Lethbridge (Mr. Blackmore) mentioned that. We have not as much intelligence in high places today as they had in the councils of the chieftains of the stone age to which I referred some time back.

I am not going to say just now how I intend to vote on this bill. This is what I should like to see, and here I am speaking personally, on my own, without having consulted with any members of my group. I should like to see a solid opposition vote against this bill, if possible a majority against it, to send this government to the country to see whether or not the people are satisfied with the paltry increase of $5 a month to our aged people. If anyone ever worked a generation ago it was those people who have now reached the age of seventy, who pioneered this country. If I have to vote for this bill, what position am I in? Well, I am going to say this, and I say it in all kindness. If I vote for this bill I have to vote for a disgraceful insult; and that is my choice.

Mr. MARTIN: Before the hon. member concludes, may I ask him a question?

Mr. HANSELL: Yes, I do not mind.

Mr. MARTIN: He said the pension under the bill was $30. Of course he will appreciate that the pension can be greater than that, in view of the provincial contribution. In the case of Alberta, without any further expenditure on the part of the province, the pension under this bill will be $33.75. Can the hon. gentleman tell me whether or not it is likely that the province from which he comes will follow the example of British Columbia, and the example set by Ontario today, and increase that pension to a higher figure?

Mr. LOW: If I may reply, they are already doing so. They are extending a great deal more by way of medical services, dental services and hospitalization than either of those provinces mentioned by the minister.

Mr. HANSELL: I thank the leader of this party for answering the question, and I am going to answer it in another way. Is my hon. friend the Minister of National Health and Welfare (Mr. Martin) proud to stand up in this house and argue over $3 a month?

Mr. MARTIN: Are you asking me a question?

Mr. HANSELL: Yes; I want to know if you are proud to argue as to whether it should be $33 or $30.

Mr. MARTIN: I am anxious to do all we can to help the aged; and in that responsibility the tradition and law of this country has been that the provincial and federal governments together will do so. I have asked the hon. gentleman a question with respect to Alberta. Is he prepared to answer it?

Mr. BLACKMORE: You will always find Alberta in the lead.

Mr. HANSELL: My time is going and I do not like interruptions right at the end of my speech, but I can answer that question. I do not know what the government of Alberta is prepared to do. All I say is that this government has the power and the responsibility to make that which is physically possible financially possible; and it does not do so. I am not concerned about $33 a month. Why not $50 a month? Why not make it that, regardless of what the provinces do? The first thing the minister knows, he is going to compel me to vote against this disgraceful insult, by adding insult to injury.

Mr. J. L. GIBSON (Comox-Alberni): Mr. Speaker, generally speaking this debate has appeared to be of a very high order. I must personally congratulate the hon. member for Vancouver North (Mr. Sinclair) upon what I thought an able and well considered speech this afternoon.

I must confess, of course, that when I hear the hon. member for Macleod (Mr. Hansell) tell about the philosophy of the Social Credit party, even after three years in the House of Commons I am unable to follow him.

Mr. CAOUETTE: Some people are slow.

Mr. GIBSON (Comox-Alberni): I admit I do not come from Pontiac, where all the privileges of education are available to everyone. But when I hear the hon. member for Macleod say that anything that is physically possible is financially possible, I know he is just quoting from the hallucination of some previous speaker.

Mr. BLACKMORE: Don't you wish you knew better than that?

Mr. GIBSON (Comox-Alberni): It would be quite possible, of course, to take all our old age pensioners in Canada, obtain rooms in the Chateau Laurier for each and every one of them, and provide them with room service every morning. That, possibly, would be physically possible. But I do not think I would care to sign the cheques the government would have to sign to take care of them in that manner.

As I say, the subject has been particularly well covered. Various statistics with regard to old age pensions have been given, and in what I have to say I intend to be brief. Certainly I do not intend to introduce into the debate anything which indicates I am a believer in paying for old age pensions with funny money of any kind.

Mr. CAOUETTE: We use the same kind of money you use.

[Mr. J. L. Gibson.]

Mr. GIBSON (Comox-Alberni): I suppose you do. And I have found that is the only kind people will take.

Mr. CAOUETTE: That is the only kind you are taking from the people.

Mr. GIBSON (Comox-Alberni): I trust I earn mine as well here as the hon. member evidently thinks he does.

I believe it is the duty of every hon. member to act with responsibility when he undertakes to spend the money of his constituents, the people who sent him here. After all, it is not our money we are spending; it belongs to the taxpayers of Canada.

Certainly we cannot pay out anything in old age pensions or any other kind of pensions until we first collect it from the people. And despite what the hon. member for Macleod says—and once again I admit I am not as bright as he is—the only way I know of getting it is through taxation.

Mr. QUELCH: Did you pay for the war in that way?

Mr. GIBSON (Comox-Alberni): We certainly shall.

Mr. BLACKMORE: We shall, if we keep a Liberal government in power.

Mr. GIBSON (Comox-Alberni): My objection, of course, to the present non-contributory scheme of old age pensions is the very fact that those who have contributed to it in the past and who will contribute to it in the future are the ones who, because of this means test, will be unable to collect any portion of it.

It would appear to me, personally, that we have certainly removed any incentive for the old person to go out and try to make a few extra dollars to supplement his income under the pension scheme. My experience has been that old people who have nothing to do and who do not feel useful do not last long.

Mr. LOW: That is good sense.

An hon. MEMBER: How about going to the senate?

Mr. GIBSON (Comox-Alberni): I said once in the house that I had no hope of getting to the senate because there are too many ahead of me. Probably there are some priorities in the matter.

The present means test of course places the stigma of pauperdom on anyone who applies for an old age pension, when one considers the investigations which take place, and to which reference has already been made in the house. I believe I can honestly say that there is no

member in the House of Commons but who, because of the amount of expenses members have, will find a great deal of difficulty in making both ends meet, despite the raise of $2,000 we got last year. I do not believe there is a member in the House of Commons who would care to go to the old age pensions authority and ask for a pension for his mother or father. In my view that condition of affairs is wrong. If we have an old age pension it should be available to every old person, and should not be payable by the children, even if they are able to pay it. Under the means test, the present pension is a form of charity, in the way it is administered.

I object very much to the fact that people who have been thrifty and who have provided for their old age find that, when examinations are made, their pensions are cut in half in some cases. There is no provision made for people of that kind, who have saved, to obtain a cost of living bonus. They certainly are not organized today, like members of labour unions, so that, because of the present high cost of living, they might be able to obtain some relief.

I think the suggestion of the hon. member for Vancouver North (Mr. Sinclair) to refer the bill to the committee on industrial relations is a good one; and I can see no reason, if the government were prepared to support that suggestion, why there should be any necessity to have this bill killed. There is no reason why we cannot go ahead with this old age pensions bill in this session of parliament. It seems to me that the average responsible member in the House of Commons would like to know what the removal of the means test would cost.

Mr. MARTIN: About $200 million.

Mr. GIBSON (Comox-Alberni): The minister says it would cost about $200 million. I imagine he has worked it out. However I am not entirely convinced he has taken into consideration what we may recover from our income tax, if our income tax is applied and the amount is recovered from those who do not need this pension.

My principal objection is that in this measure we segregate the people into two classes, so far as old age pensions are concerned. I believe that in a committee of that kind we could get both the federal and the provincial viewpoints. I believe that if we went into that committee we would get away from a lot of politics. My own experience has been that everyone tries to make a contribution, and in this instance they would try to work toward what everyone will agree is a worth-while thing, the provision of security for our old citizens.

I believe that if this were discussed in committee it could be brought back to the house with recommendations as to what should be done. Each one of the members of the committee would feel a responsibility in the matter and would be prepared to support income tax proposals to make it possible to pay these pensions to our old people.

It is high time that a responsible and thrifty element of Canadian society were given an opportunity to present their side of the case for the removal of the means test.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, I have only a few words to say, and I mean what I say. I am reminded of that great Scottish poet who has said:

> O wad some power the giftie gie us
> To see oursel's as ithers see us!

As I try to see the minister as he is, as I try to see him as the government of Ontario has been seeing him these last few days, and as I try to see him as that great university of Michigan with its high standards saw him recently, when it bestowed upon him the degree of Doctor of Laws—and I congratulate him upon that; his head is not a bit bigger since he got it—

Mr. BROOKS: It could not be.

Mr. McIVOR: —I note the contrast in these views. I believe this bill has come a long way in doing good. I was only sorry that this afternoon the hon. member for Winnipeg North Centre (Mr. Knowles) said that, on account of the bill, the minister should bow his head in shame. My experience in life is that no man should bow his head in shame unless he commits a sin. I believe the minister should hold his head higher because of what he has done in the bill for people who are in difficulties. I am pleased with the amendments that have been brought in, and there is one that I appreciate very much. I know of many people who moved from the country during the war, some going to the south and some to the old country. When they could not get back they lost their pensions because they had stayed away for more than the allotted number of days. They are now to be able to get their pensions and I thank the minister for that.

I notice that there is to be a fifty-fifty payment to those between the ages of sixty-five and sixty-nine years who are in difficulties financially. That is a good thing because some men are older at sixty-five than others are at seventy-five. I have no difficulty in proving that. Some men hold their youth because they take care of themselves; some do not

because they do not take care of their minds. I thank the minister for that fifty-fifty payment.

I have heard some say that it is too little and too late. There were a lot of people in this house who said that the war effort of this government was too little and too late. I must admit that it went down below my diaphram when I heard that, because I thought we were not doing all that we could. What happened? The government was doing everything behind the scenes to help Britain and Russia defeat Hitler. It was not too little and too late because they won out in the end.

I want to tell the minister that I think he is on the right track. It may not be a large pension, but it is something. I know a couple whom I helped get an old age pension, and they are now each receiving $28 a month, or a total of $56. I had pancakes and coffee with them in their home and anyone would have been glad to have had a meal like that. Everything was clean and tidy and they were saving a little for their old age. They showed me their bank book.

I have used the words of that great Scottish poet because he understood human nature. I want to congratulate Ontario—there are some here representing that province—upon raising its old age pension to $40 a month. My hon. friends from British Columbia must now take second place to our great province. I want to thank that province for its generosity; I want to give credit where credit is due. There will be some people who are sufficiently hard-hearted to say that that is smart politics. If it is, let us have more politics of that kind because it will help many older people get their $40 a month. I believe the minister is indirectly responsible for that increase.

What is going to happen in Quebec, and I dare to refer to your great province, Mr. Speaker? I do not think Quebec will take second place to Ontario or British Columbia. I did not meet him there, but I see the premier of Quebec is attending the great Marian congress. If he gets the spirit of that congress there will be nobody in want in Quebec. He will go back to his cabinet and say, "We as a great province cannot stand idly by and not feed and clothe our old people, not give them a bit of fun and a little tobacco into the bargain."

There are some people who think members of parliament are paid a lot of money, and dear knows we are. However I am no richer today than I was ten years ago. The more we get, the more we spend and we are the happier at it. I would be glad to have my sessional indemnity held by the government if it would increase old age pensions a little or help those who are suffering from arthritis or who cannot get treatment when they are suffering from cancer.

There is another side to this great question. When I was quite young I was taught to memorize the ten commandments, and there is one commandment I have never forgotten: "Honour thy father and thy mother, that thy days may be long in the land which the Lord thy God giveth thee." I do not think any young man or woman should take the farm or property of his or her parents, have it put in his or her name and then let the old folks go on old age pensions. It is not fair to the government.

There is another thing in this bill I like very much, the possibility of a national pensions scheme. The minister made it quite clear that we should have contributory pensions. Those who have worked in our day remember that there were many who earned fifty cents an hour but when the week was over they did not have a cent left. They had not the ability or willingness to save a little. If there were a contributory scheme on a national basis it would be a great thing for this country. I say to the minister, more power to your arm and to your head for your willingness to keep this thing going.

The hon. member for Winnipeg North Centre (Mr. Knowles) congratulated the minister upon piloting the citizenship bill through the house. I am not an Irishman, nor is the hon. member for New Westminster (Mr. Reid) a Scotsman; we are both Canadians and we thank the minister for that. I know, when the minister tackles this question of pensions for our senior citizens it will be like the balky horse I helped to break in. When he once got the bit in his mouth he would go his own way, no matter what any one did. I hope the minister gets the bit in his mouth and goes to the finish. As I said before, we shall not then be giving our older citizens $50 a month, we shall be giving them enough, no matter what the standard of living is.

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, I hope that nothing I say shall be interpreted as politics. To my mind politics should be left out of this subject. The distress of old folks should not be played up politically.

In the addresses so far in the debate, there is one matter that has not been touched upon. Most of those now coming into the old age pension brackets are those who have come down through the years without large wages or salaries. Something has been said about the large salaries and wages which have been

paid in late years, but that does not apply to those now coming up for old age pensions.

When the Minister of Labour (Mr. Mitchell) spoke this afternoon he referred to the length of time he had been advocating old age pensions. My advocacy of old age pensions and pensions for the maimed and blind goes back to some years prior to 1920. I became an enthusiast of pensions for the blind and for the maimed and aged workers from a long association with thousands of workers. Many times I saw them blinded and maimed. I saw thousands of them getting old. I am talking of the time when I was with them. I know these men with whom I worked, and multitudes of others now coming into the old age pension age down through the years who did not at any time receive a sufficient salary or wage to lay up a competence for their old age. I think of the moulders, of the machinists, and of the artificers working in a big plant of whom I knew so many. I saw them laid off quite often for as much as three months of the year. A man cannot save very much for his old age if he is laid off work for three months of the year. I am not speaking of the last ten years because everything has been swimming in that time. I am speaking of the time years before that, of the people who are now coming into the old age pension age. Being working men, most of them had families. God blesses the working man. It is to those people that He sends the families. Many of their wives were frequently sick. If a man is out of work and has sickness in his home he cannot save at all. Therefore, sir, I am one of those who advocates as strongly as I can the abolition of the means test. That is my own opinion. I do not care a fig about what anybody else advocates. I give my own opinion and my opinions are based on my experience. We should abolish the means test. How in the name of heaven could a moulder, a blacksmith, a machinist or a carpenter fifteen or twenty years ago, out of the mere pittance of a salary or wage that he received, lay aside anything for his old age? They did manage to get together a little home. How in the name of common sense can we ask them, when they ask for old age pension after the struggle of a lifetime, to sign away the rights to their little homes?

I hold in my hand a letter which I received from a lady I know in Toronto. Her husband was a soldier. He went overseas in the first great war. He was not allowed to go to France because he was too proficient at drilling or in some other army service. He was an expert in that line and they kept him in England. When he came back to Canada he died. That service barred him from a military pension and also his wife. But through thrift they had managed to get together a little home. I know the home very well. It may be worth $2,500. I am not speaking of the inflated prices of houses today which will certainly be flattened out in the next few years. As I say, that house is worth $2,500, but it would probably sell at $7,500 today. She came to see me and importuned to get an old age pension, but she had to sign away her home. At that time her son, who was a returned soldier, was living with her. After a while he died and left her in straitened circumstances. She decided to sell her home because she could not possibly live on $20 a month and whatever was given in pension by Ontario plus the cost of living allowance. She sold her house after having received a pension for just a few years. Of course the old age pension board was at once notified about the sale of the house and they took from what she had received for the house all that they had paid her in old age pension; so she came to see me again. She has now bought a much smaller house for which she paid around $2,200. but it is not nearly as fine a house as the one she sold, because the one she bought recently was built recently and everyone knows what kind of houses they are.

She applied for old age pension again because she could not live on what was coming in from the little bit that she had left after selling her house. An old age pension official came to see her. I had appealed to the department to give this war widow of seventy-seven or seventy-eight years of age a chance to live. They wanted her to sign a paper for this little house worth about $2,200. I said to her: "Do not sign it." I am bound to say that she did receive old age pension this time without having to sign away her house. Whether it was a special ruling or not, I do not know. Anyway, she was given a pension without a means test. The means test should be abolished.

Some time ago I received a letter from her. I will not give her name. The letter reads:

> I have had a note from the old age pension board to say they would reinstate me—

This is a month or two ago now. I continue:

> —but they gave me no assurance that the same thing won't be repeated. They asked me to sign. I did not, as I don't trust them again.

I cannot blame her for that after her other experience. The letter continues:

> It is too bad they can only gyp old people and poor widows who are left alone. I do think the thrifty people should be considered a little more

after paying taxes fifty years and not penalize them for being thrifty and clean. I for one think it is a detriment to the housing shortage as people will not buy on account of that. I am sending you two more victims I cut out of the *Telegram* this week.

She sent me two items from the paper about two more people who had been victimized by their homes. Because of the numbers of experiences I have come in contact with, I am opposed to the means test. However I am glad to say that it has not been 100 per cent enforced. I know of two or three cases myself where the head of the house died; then the mother died; and the old age pension board in settling up with the estate, after my writing them a letter and telling them that one family had sent seven sons overseas—the parents had left nothing but the little home they had saved up—did not take the home away from the heir. While some lose their homes, others do not. I think it would be only fair all round to abolish the means test.

I know quite well that some people do not always do the right thing. They will sign away their homes to their children in order to get a pension without signing. A farmer will sign away his farm to his son or daughter in order to get a pension without signing. I do not think people should be put in the position of falsifying their financial status. It would be much better simply to abolish the means test.

Mr. HODGSON: You would penalize thrift then.

Mr. MacNICOL: No; in my opinion the situation as it is penalizes thrift.

Mr. HODGSON: That is what I say.

Mr. MacNICOL: I had a letter a day or two ago from a clergyman's widow; she is one of a multitude I know. She is getting up toward seventy years of age. Her husband had been a clergyman in a charge in Saskatchewan or Alberta. Anyone who knows anything about the salaries of clergymen in the west a few years ago knows that they could not save anything out of their salary. Before going to the first great war, he was invited to take some official position in the army which did not allow him to get a pension. He came home and died. That poor widow woman of sixty-five years of age or more cannot even buy car tickets; she cannot buy any clothes; she cannot go to a picture show. She lives in one room with another family. She has nothing for medicine; she cannot have her teeth attended to. She has nothing that makes life worth living. She is just living to be taken away to the next world. That is not a situation of which any of us can be proud. Therefore I am in favour of lowering the age limit to permit women, perhaps especially widowed mothers, to receive pensions at the age of sixty-five.

I know that this or any other government would have a stiff job providing pensions for everyone at the age of sixty-five. I am not one of those who advocate high taxes, but I believe in lowering the age limit for women to sixty-five, because, after all, women age more rapidly than men, particularly if they have had families. That is the position I take, and one of the reasons I take it is that during the years I served in big industry, coming into contact with thousands of workers in my time, I have seen too many of them going down the years unable to put by anything against their old age.

I am strongly in favour of lowering the age limit, for women in particular to sixty-five, and I also strongly advocate the abolition of the means test. I do not wish to say a word that would inject politics into this debate. Someone tried to do so earlier in the evening, but this is not a debate for politics. If, therefore, I say that I am very happy that the Ontario government has made the announcement it has, I hope no one will interpret that observation as political. The sum of $40 a month by the Ontario premier will cheer the heart and soul of many old folks in this province.

That brings this thought to my mind, and I am sure it will be shared by the minister, for he is just as much interested in these matters as any other member of this house, and perhaps more, considering that he is minister. I hope it will be an incentive to him, if not this year, then perhaps next year, to try to bring about uniformity throughout Canada. Forty dollars at least for every province would be an objective to aim at, because if we get it in Ontario and the people do not get more than $32 or $33 or $35, say in Prince Edward Island, Nova Scotia and New Brunswick or elsewhere, that is a penalty imposed on them for living in those provinces. That is not fair. The amount should be uniform throughout Canada, and I hope the minister will look ahead to some time in the near future when the rate will be the same throughout the dominion. I am well aware of the fact that Viscount Bennett did announce that the federal government would pay the whole pension, and I believe I heard the hon. member for Winnipeg North Centre (Mr. Knowles) say that that had been in the Liberal platform. So there is no politics in my saying that, and I think that is the way it should be, that the federal government should carry the whole burden of the old age pension. After all, it goes round and round and it all comes back anyway. We get it in

the form of sales tax or one tax or another, so that in reality it all comes out of the pocket of the federal government in any event.

I do not know that I have much more to say. I have taken an interest in the old age pension question for many years. I do not take my hat off to anyone in the advocacy of it, for I advocated it as a necessity many years ago for those I knew so well. I do not think it is necessary for me to go further. I do not wish to criticize, because that will not get us anywhere. On the contrary, I would encourage the minister to go still farther, and if what I have said will help him to do so, when the bill comes in the committee it may be that, after consultation with his colleagues, amendments will be offered for the abolition of the means test or lowering the age limit, for instance. I hope someone will move an amendment to that effect and also propose that there be uniformity throughout Canada in the way I have suggested. If anything I have said will help the minister to go farther I feel that I have done my duty. I put my duty first to those who are in the class requiring old age pensions, and if I interject politics into the question I know it will do no good. It will not help either us or those who are in need of old age pensions.

Mr. F. S. ZAPLITNY (Dauphin): In discussing this measure, which is an act to amend the Old Age Pensions Act, I believe that we in this house should be careful not to become too deeply involved in dollars and cents. The question of how it will be paid for is, I think, a minor consideration compared with the question whether it is desirable or not that we shall have better pensions and at a lower age. It seems to me that what we need to do first is to set out for ourselves what are the desirable national objectives and then try to introduce measures in this house in order to make them possible. Everyone will agree that if we were to state our national objectives in a brief way we would desire, first of all, that the general welfare of all citizens shall be looked after. We would strive for the highest possible standard of public health and also the highest possible standard of education.

What we are debating at the present time is not the desirability of these things, because I believe that we can agree on them. We are debating, however, whether the present government and the measure which is at present before us are adequate toward attaining these desirable ends. If we take the speech delivered by the Minister of National Health and Welfare (Mr. Martin) yesterday, and consider two parts of it together, it will give us a lead as to whether the government, in this measure, is reaching out far enough to attain these desirable objectives.

First, I wish to quote from the minister's speech where he referred to the speech of the Prime Minister (Mr. Mackenzie King) on a different occasion, and which incidentally I placed on *Hansard* on a previous day, having to do with what the Prime Minister declared in 1942, on October 9, speaking to the American Federation of Labour in Toronto. He said:

> The era of freedom will be achieved only as social security and human welfare become the main concern of men and nations.

He followed that up with this significant sentence:

> It is necessary that social security and human welfare should be expressed in definite terms.

I come back to the earlier part of the minister's speech in which he said, at page 4282 of *Hansard*:

> This government has given conclusive evidence of its concern for the welfare of the aged among our population.

I do not know what he meant by "conclusive evidence", but I would take it that the present measure is the conclusive evidence to which he referred of the extent to which the government is expressing its concern for the aged of the country.

Mr. MARTIN: That and our proposals to the provinces.

Mr. ZAPLITNY: Unfortunately we are not in a position to debate the proposals to the provinces, which are not placed before this house for consideration. The proposals that were made to the provinces are now a nebulous thing.

Mr. MARTIN: Oh, no.

Mr. ZAPLITNY: What we have before the house is the present bill, and we have to decide on the basis of its provisions whether the government is expressing its concern for the aged and to what extent in definite terms, using the language of the Prime Minister. This is the measure that is before the house. I hope the proposals made to the provinces will be repeated in definite terms in the form of a bill in this house at a future time, but at the present time this bill is all that we have before us, and on that basis I fear I must agree with those on this side of the house who have expressed disappointment and criticism of the method, not only for the meagreness of the provision under consideration, but also for the fact that the measure has been so long delayed.

I want to agree with something that the hon. member for Macleod (Mr. Hansell) said this

evening. He observed that when we consider such measures as social security and other desirable objectives we should ask ourselves whether it is physically possible to provide the goods and services that are required before we get into any question of finance; because if we decide that it is desirable to have old age pensions at the age of sixty-five and at the rate of $50 a month, and if we have the natural resources and the productivity to provide the goods and services therefor, then the only question that remains to be decided is whether we shall divert the necessary portion of our production to provide for those people, or whether we shall not.

I think the hon. member for Comox-Alberni (Mr. Gibson) came out pretty plainly and flat-footedly when he said that it would be possible to provide for these people, that we could build them an hotel as good as the Chateau Laurier and bring meals to their rooms, but he asked, who is going to pay for it? So you see, we are not prepared to do these things for the aged people. We can do them but we are not prepared to do them. He does not think it would be fair for the other people to provide such facilities. I am not advocating that we build any hotels for our aged people, but I say that the people of this country have expressed in no uncertain terms their belief that people at the age of sixty-five are entitled to a pension of $50 a month. The leader of this group had the honour to present to this house a petition signed by over a quarter of a million people of all ages urging the government to make that provision. I have here on my desk a whole stack of letters, resolutions and briefs, as have many other hon. members, urging us to take those steps. I believe that many of the members on the government side of the house are in sympathy with what I am saying; all that is required is for the government to decide whether they will take that step on a national basis, or whether they will not.

I also want to say that to me one of the most disappointing things was the fact that no mention was made of removing the means test. Another disappointment was the fact that the provisions for blind persons' pensions remain practically the same as before; particularly is that so as to the age. In my opinion the means test is the most objectionable feature of the present Old Age Pensions Act. Any hon. member who goes through his correspondence on old age pensions will find, I think, that nine out of ten letters he receives stem from the means test provision. People cannot understand the way in which the whole thing operates, to start with; and when they begin to fill in the old age pension application form, a copy of which I hold in my hand, they find that they are in for a nightmare. It can truly be called a cradle-to-the-grave affair, because on the first page, in question 8, it asks for the date of birth and place of birth; and on the last page, in question 41, it asks, "Who will be in charge of your affairs following your death?" There they have you from birth to death and almost everything in between. I can give a few samples. Question 15 reads:

> Give particulars of children living with you or with whom you are living.

They want the name in full, sex, age, occupation, married or single, number of dependent children, income during the past year, contributions. Not only that, but in the next question they say:

> Give particulars of children not living with you.

How in the world would you expect anyone to know all about their children who were not living with them, when some might perhaps be living in a foreign country? Again they ask for all the particulars I enumerated under the previous question. Then we go on to page 4 and we find question 32 which reads:

> Give date and amount of each contribution to your support by each member of your family during the year prior to making application.

That is another question which is almost impossible to answer. Then question 33:

> If any members of your family have failed to contribute give names and reasons for said failure to assist.

It would take a Philadelphia lawyer and a couple of assistants to fill out a form of that kind. How can the old age pensioner know why any of his children or other members of his family failed to assist him? He is required to give reasons why they did not do so. Then there is question 37:

> How have you been meeting living expenses during the past year?

That is a ridiculous question. What business is it of anyone how a person has managed to live within the last year? I have already quoted question 41, but it wants to know who is to be in charge of your funeral. I have other forms that go with it, and there are plenty of these. One asks for the assessment of the property owned by the applicant or his or her spouse, in detail. They want to know everything. In fact, under one of the questions, question 30, they ask you to give the value and description of the furniture, farm equipment or any other property not yet specified. If you happened to have a couple

of pipes and a few pipe cleaners and forgot to put them down, you possibly would be accused of having falsified your application.

The thing becomes ridiculous, and the reason for that is that the application must, of necessity, be based on the regulations which are in force. I am not criticizing the pension authorities who drew up the application form. They had to ask questions to cover all the regulations which are in force under this act. It is because these regulations are ridiculous that the application form is a nightmare, that it is nosey and confusing, and that it is almost impossible for the ordinary person to answer the questions without legal assistance. All that is based on the fact that we have a means test. If there were no means test; if the old age pension were payable to all people as a matter of right—in the same way as family allowances are paid, for example—it would then be unnecessary for every person to go through that nightmare; and it would also be unnecessary to send out, twice a year, a letter or form which has to be filled out—almost as complicated as the other one—to prove that you have not received five cents from anyone else while you were receiving your pension cheque. All that could be wiped out and we should then have our pensions on a commonsense basis. Therefore, had the Minister of National Health and Welfare (Mr. Martin) and those associated with him included in this bill a provision to wipe out the means test, I believe that in itself would have been a great step forward in providing a proper system of old age pensions.

I now want to come back to the other disappointment I mentioned, namely, the fact that the age limit for the blind still remains at forty. I have here resolutions and briefs from various organizations making representations on behalf of blind persons, asking that the age limit be lowered. In his speech the other day, the leader of our group advocated that the age limit should be lowered to the point where the family allowance stops; in other words, that at the age of seventeen they should become eligible for the blind pension. That seems to be only common sense because, after the age of dependence ends and he or she is not eligible until the age of forty, there is a gap there of almost twenty years, and sometimes more than twenty years, in which the blind person has absolutely nowhere to turn for assistance, except to charity.

While I am at it I also want to say that I had expected that the government would sooner or later make some provision to pay the old age pension to Indians, but apparently nothing has been done in that respect. All I can say is that our record so far, in our treatment of these people, has not been the best and leaves much to be desired. I hope that in the future they will be included.

I was particularly interested in listening the other day to the leader of the opposition (Mr. Bracken) speaking on behalf of the Conservative party—and what I want to say now is not said in any spirit of carping criticism—and in listening this afternoon to the hon. member for Eglinton (Mr. Fleming) who was speaking vigorously and with great volume. I was reminded that on a previous occasion he accused me of shedding crocodile tears. I am not going to go that far. I want to be far more charitable to him and his party than he was to me. But as the leader of the opposition spoke, I remembered that I had an advertisement which appeared during the Portage la Prairie by-election; and it struck me as being a little incongruous that the same party which advocated such drastic cutting down of expenditure by this government were now advocating the spending of more money for social security. I want to say clearly that I am not criticizing them in any way for advocating greater expenditures on social security, particularly under this measure, because we are on the same side on this question. But I believe that if the policy advocated during the Portage la Prairie by-election had been followed by this government it would have been impossible, not only to increase the amount of the old age pension, but to pay any old age pension at all, or to pay any family allowances at all. Why do I say that? I have an advertisement here, with the picture of the genial member for Portage la Prairie (Mr. Miller); and incidentally it is a very fine picture.

Mr. MERRITT: A very fine fellow, too.

Mr. ZAPLITNY: Yes. It is headed, "Make Miller your member," and underneath that in large letters it says, "He believes in and will work to stop billion dollar government spending." If that were taken seriously; if we were to make a move in this house to cut the expenditures of the government to less than a billion dollars, which is the only way you can stop billion dollar spending, it would be impossible to provide any old age pensions or any family allowances at all.

Mr. MERRITT: If I may ask a question, does the hon. member think this government is an extravagant spender, or not?

MR. ZAPLITNY: Certainly on old age pensions it is not.

Mr. MERRITT: That is hardly an answer to the question.

Mr. ZAPLITNY: I will say this to my hon. friend, that I am not criticizing the speech of the leader of the opposition yesterday, but I think if we are to make proper expenditures in regard to these matters we should be careful at election time not to go out advocating the cutting out of billion dollar spending. I want to say quite frankly that I am not against billion dollar spending. I would be just as happy if the government spent twice as much as they are spending now, provided that we got a dollar's worth for every dollar we spent, and that the people who most needed the expenditure were the recipients of it.

Mr. STEPHENSON: How is the C.C.F. party going to pay the extra taxes?

Mr. ZAPLITNY: That is hardly a question which requires an answer.

Mr. STEPHENSON: Oh, yes, it is.

Mr. KNOWLES: We spent five billion dollars a year during the war, out of production.

Mr. MERRITT: And we owe it now.

Mr. ZAPLITNY: I hope hon. members have had their little chat and that I may go on with what I was saying.

Mr. MERRITT: How about going on with old age pensions?

Mr. ZAPLITNY: Exactly; that is what I am going to do. I also want to remind hon. members who sit across the way that if there has been a delay in improving the old age pensions situation it has been the fault of the government, but not only of the government itself. There are members who are not part of the government, but who support it, private Liberal members on the other side of the house, who in previous debates have advised the government to go slowly. I say this merely because one or two hon. members opposite have expressed their impatience over the lack of progress in this matter. I strongly sympathize with them; they are not the members who gave the advice to which I just referred. I find that in 1946, when the hon. member for Vancouver East (Mr. MacInnis) introduced his almost annual resolution seeking higher old age pensions at a lower age, one of the hon. members sitting opposite, the hon. member for Shelburne-Yarmouth-Clare (Mr. Baker), had this to say at page 745 of *Hansard* for April 10 of that year:

> However, I believe the motion is premature at this time. I hope that some day in the future, and the sooner the better, we shall be able to have these things so arranged in Canada that the old and aged people will be able to pass through the twilight of their lives with dignity, comfort and security.

I agree with the latter part of that statement; but if hon. members on that side of the house are as anxious as we are that some progress should be made in these matters—and I believe they are—why do they advise the government, when we present a motion of this kind, that the matter is premature? When shall we be ready to do the things we believe are right?

An hon. MEMBER: When you stop talking.

Mr. ZAPLITNY: The hon. member for Restigouche-Madawaska (Mr. Michaud), who is a charming member, in the same debate at page 749 of *Hansard,* had this to say:

> . . . I do not consider it advisable that the house should adopt it at this time.

And at page 751:

> If the resolution is put to the vote I shall vote against it because I do not think it advisable to pass upon it while the proposals are before the dominion-provincial conference . . .

Well, it appears that this conference has not been a succeess. It has not finished its deliberations, but for all practical purposes it has ended, and today I do not think those hon. members would take that attitude, or at least I hope they would not. Then I find that on October 3, 1945, speaking on the same subject at page 718 of *Hansard,* the hon. member for Verdun (Mr. Cote), also a charming member, used these words:

> . . . I am of the opinion that this resolution is premature and inappropriate at this time and should not be adopted.

There is the record, which shows there have been hon. members, I suppose on both sides, who have not been prepared to do what we think is right because it has been premature, or inappropriate, or not the right time to do it. As the hon. member for Winnipeg North Centre (Mr. Knowles) reminds me, they promised this in 1919, and still they think it is premature.

I am not going to take much more of the time of the house; I am going to follow the advice of the hon. member opposite who said that as soon as I sat down they would start doing these things. I am so anxious to see them done that I am not going to hold up the house longer.

In closing, Mr. Speaker, I wish to say that the question of improving our old age pensions, putting them on a national scale, removing the means test, making better provision for the blind and including in that category also the crippled, is something that has been before this house actively for the last three years. It has been before the house in one form or another for the last fifteen or twenty years, or perhaps longer;

and I believe it is time, before this parliament ends, that we should take this matter seriously and, even though we may have to pass the present bill, inadequate as it is, on this occasion, immediately after that we should set up a committee charged with the responsibility of bringing into this house a proper bill covering all these needs, including pensions for the blind and crippled, old age pensions on a national scale and so on, to bring before the house something of which we can all be proud.

Mr. P. E. COTE (Verdun): Mr. Speaker, I should like to open my remarks by referring to a word which the previous speaker emphasized, and which he extracted from speeches made by two hon. members on this side of the house during the debate on this matter a year or two ago. The hon. gentleman objects to the word "premature", as it was used at that time. If I may, to please him I would use that word again today and say that in my opinion this debate is premature. We all agree on the principle involved in this amending bill, which is the improvement of the Old Age Pensions Act; but most of the criticism that has been heard here should have been reserved for the committee of the whole when this bill was considered clause by clause. This is a money bill. No hon. member can do anything to increase its provisions, and a great deal of time is being wasted without any benefit. I had intended to make a few remarks during the committee stage; but since the debate has taken the trend it has taken, I feel that, coming from the province of Quebec, I should voice my opinion.

I do not intend to speak at length; but what I should like to emphasize, first, is that, despite the criticism we have heard yesterday and today on this point, for the past twenty years this party has been interested actively in old age pensions. The first bill was introduced in 1927; and if one will refer to the various steps which have been taken since then to improve the original statute, he will realize at once that our system of pensions has developed gradually during those twenty years.

The opposition is not satisfied with the milestone we reached today with the amendment contained in this bill. I would repeat what has been said by the Minister of National Health and Welfare (Mr. Martin), that this measure will bring our system on a par with other systems in force in countries having a similar constitutional complexion. I refer more particularly to New Zealand, Great Britain and the United States.

I would say to hon. members opposite that old age pensions legislation has been on the statute books of New Zealand for the past fifty years, while in Canada we have had it for only twenty years. Yet, during that half century New Zealand has covered only about the same distance we have covered in less than half the time. The same statement could be made if a comparison were made between our system and that in other countries to which I have referred.

I would emphasize the fact that our government has been more interested in the broader picture of social security. Listening to some opposition members, one would think they are concentrating all their thought and action upon old age pensions. I believe it would be unwise to act as some of our critics are acting at the present time with respect to this matter, because since the beginning of the last world war more particularly, social security at large, and as an over-all scheme for the protection of our freedoms and privileges, has been in the minds of the people, not only in this country, but in countries throughout the world.

Our people are not thinking in terms of this or that piece of legislation as much as in terms of a system for which our country fought during the last war, a system of security for each and all of us in our way of life, and to cover our various requirements. This state of mind developed more particularly after the Atlantic charter gave expression to certain principles in August, 1941. To the principles contained in that charter, Canada has subscribed through her acceptance of the declarations of the united nations signed in Washington on January 1, 1942, and we have subscribed on a great number of other occasions in the years following.

As all hon. members know, the principles of freedom proclaimed in the Atlantic charter were the foundation upon which was built the constitution of the united nations organization and they have served as guiding lights to the various committees set up under its supervision and control.

Our country has not delayed unduly her action to implement the obligations she has assumed jointly with the other united nations. On March 8, 1943, this house appointed a select committee whose order of reference was to examine and to report upon a national plan of social insurance which would constitute a charter on social security for the whole of Canada. The committee sat during the session of 1943, was reconstituted in 1944 and did a great amount of work.

In the course of a debate such as this, which deals with old age pensions, it is proper that one should ask himself what importance he should attach to the setting up of an overall scheme of social security, and what place

old age pensions should have in such a scheme. I was particularly interested in the views expressed before the special committee which sat in 1944, by the then executive director of the Canadian welfare council, a gentleman who, since that time, has been honoured with the appointment to the important post of deputy minister of welfare in the dominion government. To precise questions on this point, Doctor Davidson offered the following order of priority:

1. The maintenance of the fullest possible measure of employment;
2. The establishment of adequate minimum wage levels;
3. Children's allowances;
4. Health insurance;
5. Old age and retirement insurance.

Before the close of the last war, parliament agreed to and passed important measures of social security which have done much to bring our country into line with other leading nations of the world. I refer more particularly to the Unemployment Insurance Act and the Family Allowances Act, and an important step was taken with the establishment of a special department for national health and welfare.

How has our government acted in the matter of expressing its firm belief in the necessity for setting up an over-all and comprehensive system of complete social security in Canada? I have already placed on record the expert views of a gentleman who certainly had sufficient knowledge and experience to express such views.

The minister referred to the fact that the national health programme represented a great gap in our social security programme, and he pointed out the necessity of improving our old age pensions.

The federal authorities have held, and rightly so, that the only constitutional way to act was to confer with the provinces, and they have done that on several occasions since 1945. They made proposals which involved the expenditure of hundreds of millions of dollars by this government, provided that those proposals were agreed to by the provinces. More particularly, the scheme of old age pensions which they suggested called for an expenditure of $200 million by this government, while the scheme of health insurance called for an expenditure of $150 million. Family allowances, which have since been put into effect, called for a net expenditure of $200 million by this government.

I do not intend to go over the explanations given by the minister of the amendments provided by this bill. He has stated that this is the maximum pension possible, and he has stated that there is to be a relaxation of certain restrictions in the application of the means test and so forth. I may have something else to say when the bill is in committee.

At this time I wish to state my views in connection with certain criticisms which we have heard since this discussion commenced. As the hon. member for Fort William (Mr. McIvor) has said, the foundation of the criticism from all quarters of the opposition seems to be that this measure has been too long delayed and that it provides for only a partial measure of justice to the aged. That is the usual refrain of the opposition, and if one takes the trouble to read *Hansard* since this parliament opened in 1945 he will notice that in each case the criticism of the opposition has been along the same theme—too little, too late.

I shall not go over the legislative activities of this parliament prior to the last war, but I would point out that Canada has been marching forward and has achieved a success which has placed her in a leading role among the medium nations of the world, in spite of the criticism which we have heard throughout the war and since, that she was doing too little and it was coming too late.

Listening to what has been said on the other side, I wonder what would have been the reaction if the minister had brought in a bill containing the exact proposals of the green book, proposals which have been agreed to by seven out of the nine provinces and which are still waiting for the agreement of the other two. I can hear the criticism by the opposition. I am sure they would have blamed the government for taking an autocratic attitude and for disregarding the rights of the provinces in doing something which had not been agreed to. I do not see any soundness in the stand taken by the opposition on this bill.

We could have waited even longer. The proposals made are definite and concrete. They were made two years ago and the provinces were invited to cooperate in their realization. There are still two important provinces which have not yet come forward. We could have waited and I think we would have had valid reasons for waiting. However, the government has felt that the aged people should not be penalized by having to wait until the agreement had the signature of all nine provinces. We have today a compromise, a measure which comes halfway between the present system and that contained in the proposals which we had hoped would be accepted by the provinces and by which we would

have had a more comprehensive and complete social security programme in Canada.

Criticism has been heard with reference to the means test, but there has been no mention of the fact that the countries which have been compared with Canada, such as New Zealand, Great Britain and the United States, still have the means test. They are in the process of transition toward an over-all contributory plan. After twenty years of operating our old age pensions in Canada, it is our hope—and I believe that is shared by hon. members in every corner of the house—that some day, with the cooperation of the provinces, we shall have a contributory old age pension plan in Canada.

It has been suggested during the debate that if this bill provided for hospitalization, medical, dental and optical care for our aged people, it would be much more acceptable. But this suggestion does not strike me as being quite in order, since all these matters are under provincial jurisdiction, and I do not see what more we can do until all the provinces agree to allow us to enter these fields. These hon. members have certainly not followed the reaction in some of the provinces when we were discussing health insurance in the committee of this house on social security three or four years ago.

Suggestions have been made to increase the maximum pension payable to $50 at the age of sixty. Others are advocating the payment of a pension of $60 at the age of sixty, but I do not see any soundness in these proposals. I cannot see any argument to support them, unless at the same time it is advocated that our taxation should be set up at a higher level in order to meet these additional expenditures. From the estimate of our population for next year, a pension of $50 at age sixty would cost $850 million. This is nearly as much as the estimated receipts from the income and corporation taxes for the fiscal year 1946-47. If the pension were put at $60 at the age of sixty the cost would exceed the receipts from these two taxes and would involve an expenditure of over one billion dollars.

I should like to have heard something about the fiscal system which would be advocated to meet the requirements of all these proposals that we hear about for additional benefits or services or to increase those that we already have, such as old age pensions. If hon. members on the other side are sincere when they say that we should aim at a coordinated social security programme which would provide for every hazard that a man is apt to come up against in modern society, they might give more importance to cooperation between the provinces and to the necessity of an agreement between those to whom our constitution has particularly entrusted the responsibility to take care of these hazards and needs of our population. I do not see that anything worth while can be achieved in the field of social security when considering an over-all long-range scheme, unless we discuss at the same time our constitution and the cooperation that we need. To lay down any durable foundation for the future of our country, as is done in the proposals to the provinces with regard to old age pensions, we should not just pick out that particular hazard by itself and offer to spend $600 million or $700 million or more every year and give old age pensions to a greater number of our citizens. We have aimed, first, to cover a wider field; we have given a place of importance to old age pensions, and we have given a more important place to a service which our country does not have, to help ensure a national health programme with the intent of filling the important gap and with the desire of laying the basis for a continual and worth-while alleviation of the difficulties and needs of our population. I think we have a balanced programme of social legislation already in our statutes and in the proposals to the provinces. It is the duty of hon. members, as it is the duty of the citizens of Canada, to impress upon the provinces which have not as yet agreed to these proposals, the necessity of concurring with their sister provinces in helping to lay down a foundation for a social future for our country.

Coming from Quebec, I could not conclude my remarks, Mr. Speaker, without pointing to what the situation is in my province. The province of Quebec entered into agreements with the federal authorities with regard to old age pensions in 1936. In the years following, until the war broke out, nothing was done by Quebec to increase the maximum pension payable to our destitute and needy citizens. It is true that during the war, from 1939 to 1945, a good excuse could be offered for not doing so; but for the past two years, if one bears in mind that the provincial budget has had substantial surpluses, if one has regard for the economic and financial position of Quebec as compared with that of the other provinces, one cannot avoid asking himself how it is that in Quebec there is but $25 as maximum pension payable to the aged. The example set up by our neighbour province of Ontario today should be an invitation to Quebec and to its neighbour provinces to get closer to the other provinces and to the federal government in a true association and partnership in the working out

of a greater future for our country. The first step that Quebec could take toward that aim would be to take the necessary steps for the immediate voting of increased pensions. I would not be satisfied until such time as Quebec is on the same level as the great provinces of British Columbia and Ontario as far as the alleviation of the lot of all our old people is concerned.

May I refer to a statement which was made on the 16th instant by the provincial treasurer of Quebec, Hon. Onesime Gagnon, at the bankers' convention in the state of New York. The statement is in the French language, but I may say, from what the newspaper *La Presse* reported in its issue of the 17th instant, that if the Quebec provincial treasurer would translate into legislative action the feelings to which he gave expression on the occasion of that convention, Quebec would no longer consider Ottawa as a foreign country; Quebec would no longer consider her sister provinces as competitors from whom she should keep away in case they might lean against her and infringe upon her privileges, traditions and rights. I would hope that Mr. Gagnon would communicate to his leader the premier of Quebec the spirit which he has there expressed and that from now on there will be between Quebec and Ottawa the same spirit of partnership as Mr. Gagnon preached between Canada and the United States in the course of his statement. This is what he said. I quote in the French language:

(Translation):

Only the close cooperation between the United States and Canada, can prevent the catastrophe of a third world war, which would surely destroy civilization.

(Text):

And later on, Mr. Speaker, he said:

(Translation):

The Canadians and the Americans, united in their love of freedom, struggle for the progress of civilization. Both countries are staunch supporters of the federal system and both are equally interested in the return of peace to the universe. To achieve these aims they must cooperate and such cooperation is bound to ensure important results.

Mr. Gagnon said to the 600 delegates assembled here since Saturday, "That there can be no question of staying aloof or of minding our local business alone."

Mr. McIVOR: Hear, hear!

(Text):

Mr. COTE (Verdun): It would appear, Mr. Speaker, that for the past two years, if the Hon. Mr. Gagnon is sincere in his statement, there has been some progress in the attitude of the provincial government of Quebec toward the government of any place outside the province. I hope that what I have read will be true so far as the relations between the provincial government and the federal government are concerned. I trust that we may expect closer cooperation between the two governments, to start with, in order to improve the situation of the aged of the province of Quebec, and, in the second place, in order to build for Canada a great future, social security in the province of Quebec, in the whole of Canada, which would be better, and in the whole world—and that is what Mr. Gagnon had in mind the other day. That is, I am sure, the aim of each person of good will on this continent and elsewhere.

Mr. PATRICK H. ASHBY (Edmonton East): The old age pensions bill we have before us should never have been drawn up in the first place, and, in the second place, it should never have been brought before this house, because it is none of our business. Here are we assembled like a lot of old bachelors discussing among ourselves, as it were, whether or not Mrs. Murphy's kids should have peanuts or popcorn. Let me illustrate what I mean when I say it is none of our business.

When I was a little boy "my mammy done told me" that God was a great and good being, that He was all that was right, just and honourable, but that there was another called the devil, who was the very opposite, and I often wondered as a child why God permitted the devil to hang around. Over a quarter of a century ago I dissociated myself from artificial entities and dealt only in realities. In other words, I went back to the farm where I became intimately acquainted with nature, with God if you like, and, having in mind since childhood the puzzling fact of the devil and God existing side by side, I asked God one day, figuratively speaking, of course, why He did not knock the devil out of Old Nick and be done with it. The answer I got made me stagger back on my heels. My mouth opened, my eyes nearly bursting from my head, for the answer I got was: *Demon est deus inversus*. "You", I said in amazement, "don't say so". Well, isn't that queer, that it never occurred to us before? I began to see and to realize things that I had never seen or understood before, and one was that we merely have things turned wrong side out, upside down. That is all that is the matter. Put things right side up and everything is all right. There is nothing to it.

Getting bolder, still figuratively speaking, I asked God if He minded my taking His place for a while. "Oh," I hastened to explain, "I do not mean I want to dominate the world. I am not an internationalist, a communist. I

do not even want to dominate Canada. I am not a bureaucrat, a socialist. I do not even want to dominate our old folks; I do not even want to set their standard of living. All I want to be is a small god, a little bitty god on my own farm, over some pigs and sheep." "Sure", He said, "go ahead". So I clambered onto a pedestal, which happened to be a mound thrown out of the barn door, driving off the barnyard rooster, who had been flapping his wings and crowing to the world like a politician at election time. Climbing to the top of it, I raised my hand and said, "Let there be life" and there was life; for, as I said before, I was dealing in realities and not in artificial entities. I was not dealing with pens and pencils, with paper and figures, with words, with budgets and estimates and old age pensions. I was dealing with chromosomes, and determiners, germ cells, with living things. I was dealing with life itself, and, having created life of my own choosing, I discovered many interesting and instructive things, among which was that I must not interfere with the freedom of any individual under my care. I also learned that there was one Divine right that I must never encroach upon, and that Divine right is this: We have no right to take from one to give to another. I am making this statement, that any human being who takes part in this taxation swindle is committing a crime, not merely against his fellow man, but against the Almighty God, who has that Divine right, and Him alone.

Mr. LESAGE: Taxation?

Mr. ASHBY: Taxation, yes. We have no right to tax anybody. There was a time when human beings believed that a king had that divine right, but at the time of magna carta we took that divine right away from kings and introduced checks and balances which governed taxation. Today this divine right is being usurped by bureaucrats who claim they can force their fellow human beings to hand over to them money which belongs by right to those who earn it. Taxation results in all this confusion. Taxation is robbery. Taxation alienates production, or goods, from the people who are the rightful owners.

I should just like to point out one or two things, Mr. Speaker. So much has already been said, and I do not want to repeat too much, but here is a typical case, a little old lady who writes as follows:

> I am a widow, sixty years of age. What is there in life for us? Many people think there is a widows' pension; they are confused with the mothers' allowance which does not help a widow of this age.
>
> We are old, tired, and afraid of the future . . .
>
> All the discussion on lowering the age limit for the old age pension is good but in the meantime many widows are desperate and afraid.
>
> [Mr. Ashby.]

Then we talk about freedom from fear! What a sham! Here are poor old souls who live in fear. They know not where the next meal is coming from. I have a soft spot in my heart for the ladies, and when I was in the city of Edmonton I spotted a dandy across on the other side of the street. She was just like a little partridge hurrying through a crowded barnyard, ready to take off at any moment. There being no policeman around, I took after her, breaking the traffic rules. I caught up to her after a while, puffing and blowing like a grampus. I raised my hat to her and told her who I was. I am a kind of mind-reader, and she said to herself, "So what?" and grabbed her handbag all the tighter. I took her by the sleeve of her coat. No wonder she was backing away from me because she had a hammer handle in it; that is, I thought it was a hammer handle until I saw her hand dangling on the end of it. She had no meat on her bones at all. I do not think that poor little soul would have weighed over seventy pounds. I think I could have picked her up like a suitcase and carried her home. And what hands she had, too!—lined with dirt, broken fingernails. Her clothes were old but neatly mended. I got into conversation with her, and this is the little story she told me. She was over seventy. She earned her living at odd jobs—picking berries, digging potatoes, weeding people's gardens, doing charwoman's work, doing any job at all. But her eyes showed nothing but fear. There was no smile of happiness on her face. That was right here in Canada, in the city of Edmonton, Alberta, in this day and age. Can you imagine it?

An hon. MEMBER: Shame!

Mr. ASHBY: I asked her where she lived. She told me she lived in a cot she herself had constructed under the cellar steps of a home, where the people permitted her to stay at night.

An hon. MEMBER: That happened in Canada!

Mr. ASHBY: She told me that as a girl she had been a schoolteacher and had taught school for nearly twenty-five years. Can you imagine it? I have another letter here with me which reads:

> I am a widow . . . I am seventy-nine today. I have nothing coming in only what I can earn.

Mr. BERTRAND (Laurier): What about her pension?

Mr. ASHBY: She has to remain in Alberta for another year, I think, before she gets any reward at all. I asked this old lady to whom I spoke, what she did. She said, "I am a contractor. I contract to hang wallpaper."

I believe that old lady would contract to paper this hall, absolutely unafraid of high places on scaffolding. Sometimes when I see our Prime Minister (Mr. Mackenzie King) sitting over there, I wonder how he would be able to earn his living if he and she were put side by side under identical circumstances. I think she would be the one who would bring home the bacon.

What is the solution? I am not going to take up very much more time, Mr. Speaker, because so much else has been said. The solution is to free every individual. Who are we to decide whether others shall have their freedom or not? Once they get their freedom, suitable education will enable all these old folks to enjoy their remaining years in their own way. I think that is all I need to say.

To sum up, I might once more say that we must get rid of this bureaucratic rule or statism. We have an abundance of experts. If they do not know how to do the jobs, it is time we discharged them from office. We know what our old folks want. If we put it up to a vote throughout Canada I am sure they would soon let us know. Why not give instructions to these hordes of experts, the civil servants, and make them civil servants? I notice they no longer sign their names, "Your obedient servant." They are usurping the power of this parliament and it is time we put them where they belong. In the meantime, instead of calling this an old age pension or an allowance, why not say that this shall be a refund of taxes which have been collected from these old people during their lives and the refund shall be at $60, $75 or $100 a month as they see fit, not as we see fit?

Mr. G. A. CRUICKSHANK (Fraser Valley): I am rather nervous in rising tonight, Mr. Speaker, following a member from Alberta. I cannot exactly understand why anybody in Alberta should be entirely short of money. I understood that everybody in that province received at least $25 a month. Inasmuch as I have had something to say in the past about quoting from notes, and since I intend to quote quite extensively, in order that there may be no misunderstanding I would suggest that a member of the Conservative party and the hon. member for Cariboo (Mr. Irvine) sit on either side of me to see that I am not reading my speech when, in fact, I am quoting.

Strange to say, though I support this government, I do not at all like the bill that has been introduced. I do not think it goes far enough; I do not believe the people in my riding think it goes far enough. Early in 1943 we from British Columbia sitting on this side of the house were not satisfied with the Old Age Pensions Act of that day and appointed a member from our province to represent us. The member we appointed is now in the other place, to which I am not permitted to refer as I should very much like to. He was a distinguished member of this house, the former member from Burrard and mayor of the third largest city in Canada, which in a few years will be the largest city. These recommendations were unanimous, though two of our members at that time were serving overseas. I endorsed the recommendations on behalf of the hon. member for Vancouver North (Mr. Sinclair), as his representative here. He was a squadron leader in the R.C.A.F., serving in Africa at that time. I simply give this explanation to show that our recommendations, which were made to the leader of our party in British Columbia and to the Prime Minister of Canada (Mr. Mackenzie King), were unanimous on the part of the British Columbia members on this side of the house. I want to quote what we recommended at that time:

1. An amendment to the constitution making old age pensions a federal responsibility.
2. Reduction of the age limit. In the case of men from seventy to sixty-five years and in the case of women from seventy to sixty years.
3. Increase in the maximum amount payable from $20 per month to $1 a day.
4. Removal of the onerous and restrictive regulation now in force.
5. In addition to the existing old age pension system the establishment of a contributory system as a part of our unemployment insurance scheme now in operation.
6. Similar adjustments for the blind veterans in need and invalids.

To follow that up, I should like to quote also what the special committee on social security, set up by this parliament, recommended in its report on July 23, 1943:

That the government review the existing regulations governing old age pensions, pensions for the blind and war veterans' allowances, and consider the advisability of adjusting the eligibility age to a lower level, and of increasing the amount of pensions. That an investigation be made into conditions and bases of grants of these pensions in the various provinces, cost of subsistence, inequalities, responsibility for and distribution of obligation, and all the matters relating to the problems involved, in order to effect greater coordination, equality and adequate adjustments.

At that time I was speaking, as I think I am still speaking, for the British Columbia members. If our recommendations had received the full support of all the provinces in 1943 the present inadequate bill would not have been brought down now. This matter was discussed in the house on April 1 and July 4, 1943. At that time the present Min-

ister of Justice (Mr. Ilsley) was Minister of Finance. I have the greatest admiration for him, because I know he has the greatest ability of any man in Canada to say no. On July 24, 1943, he announced an increase in old age pensions from $20 to $25 a month; that is at page 5490 of *Hansard* for that year. My point is that if in 1943 it required $25 a month, for the Minister who is sponsoring this bill to tell me this increase from $25 to $30 a month meets the present cost of living just does not add up. In July, 1943, the then premier of Ontario agreed to carry on the increase of $3 a month in this province, and British Columbia agreed to $5 a month. At that time the British Columbia members on this side of the house pointed out to the provincial premiers that we thought the age should be lowered. We did not go only to our own premier; we went further and tried to convince even Ontario that this should be done. In fact we wrote the premiers of all the provinces. We thought we had a very good reason for doing this. We believed in a contributory old age pension scheme; but, pending that, we felt the old age pensions should be adequate, because it was obvious that people now in receipt of these pensions were not in a position and should not be asked to contribute.

I now want to quote from a man who, I think, has done more for old age pensions in Canada than any other man in this country; a man who, I believe, has at heart the interests of the old age pensioners as much as any man in Canada, if not more. I refer to the present Prime Minister, my leader. I think this ought to be good enough. I am referring to pages 2260 and 2261 of *Hansard* for June 2, 1931; and when I am through, I am sure the minister sponsoring this bill will bring in an amendment to bring it into line with what I think it should be. This is what the Prime Minister said:

> The Liberal administration fought for many years for an old age pension act, and care I think was taken to make it clear that an amendment to the British North America Act would be required before this federal government would have power to administer an old age pension scheme. It was recognized that an amendment to the British North America Act would take some time, and for that reason the government of the day adopted the method of agreeing to give these grants in aid to the provinces on condition that they would carry out a scheme framed by the federal government which would be similar in all the provinces.
>
> An hon. Member : A vicious principle.
>
> Mr. Mackenzie King: The principle, from a financial point of view, was unsound. I am quite prepared to concede that. But I will go a step further and say that, in my opinion, this parliament ought to remedy the unsoundness of the principle, not by discontinuing to vote money for old age pensions, but by assuming the entire obligation, one hundred per cent. This government should take over the whole scheme and itself pay out the money. That is the position that should be taken; that is the proper way to remedy what there is of unsoundness in the principle . . .
>
> Obviously the principle is thoroughly sound. I have always taken that position and have fought strenuously for it; and to get that principle recognized by parliament I was prepared to go so far as to support a grant in aid, which I am perfectly frank to admit was, from the point of view of financing, an unsound method. Now I say, let us recognize that the principle of old age pensions itself is perfectly sound and involves an obligation which the federal parliament should assume. Let us undertake to administer the Old Age Pensions Act from Ottawa and have all the moneys which are necessary for the payment of those pensions voted by this parliament.

I believe that policy has been reaffirmed by the Prime Minister on other occasions. We from British Columbia on this side of the house, after hearing the then minister of finance on April 1, 1943, wrote our provincial premier, with copies to the premiers of all the provinces, giving our understanding of the policy then laid down:

> 1. The responsibility for old age pensions is primarily of provincial jurisdiction;
>
> 2. The amount paid to old age pensioners is inadequate;
>
> 3. The dominion government will not contribute any portion of any increase in the amount payable;
>
> 4. The provincial governments are now in a better position to meet the cost of old age pensions than is the dominion government;
>
> 5. The dominion government will give consideration to a request made by substantially all of the provinces for a reconsideration of the maximum limit in the Old Age Pensions Act (as outlined on pages 1789 to 1793 of *Hansard* April 1, 1943.)

That was our conception of the policy of the then minister of finance. We were not in accord with that. We wrote to our provincial premier and to the premiers of the provinces as follows:

> That the British North America Act be amended to nationalize old age pensions;
>
> That the age limit be reduced;
>
> That the maximum payable be raised;
>
> That many of the arbitrary restrictions now in the act, and the regulations, be repealed;
>
> That the policy adopted for old age pensioners should be extended to include pensions to the blind, and mothers' allowances.

And note this, that this is the recommendation by members from British Columbia in the House of Commons, recommendations to our premier in 1943. We continued:

> That the proportion paid by the federal government for pensions and administration should, pending the amendment to the constitution, be increased to 99 per cent.

The reason we thought that, and still think it, is that we realize it takes time to amend the constitution. Some may think it takes too much time, but the fact is it takes time to amend it. However, while it takes time to amend the British North America Act, it takes no time to make a grant in aid to a province. That could be done tomorrow by this parliament.

I should like to quote just a few figures; because, frankly, I do not like the present bill. I do not think it meets conditions as they exist today. I for one cannot understand why in a country with our vast resources we do not give more thought to our greatest resource, the youth of our country. We financed the war through taxation and borrowing; and we financed our borrowing on the strength of our resources. Let us recognize that our greatest resource is the youth of our country. This country was built up by our pioneers, and we owe them a pension which would be adequate—not charity, but a pension which is due to the pioneers of this country.

I would point out that as of the latest figures, those published for 1942, the amounts paid per month, and the daily allowances are set out as follows:

Province	Average Amount Paid per Month	Daily Allowance cents
British Columbia	$19·02	61
Alberta	18·63	60
Saskatchewan	17·17	55
Manitoba	18·70	60
Ontario	18·66	60
Quebec	16·20	52
New Brunswick	14·89	45
Nova Scotia	15·06	45
Prince Edward Island ..	11·37	36

While I am not prepared to admit that Canada is not the greatest dominion in the British commonwealth, the following table as of March 31, 1942, will give the comparative situation as between Canada and Australia in the matter of pensions:

	Canada	Australia
Population	11,586,650	7,000,000
Number of old age pensions	185,992	275,456
Number of invalid pensions	Nil	60,597
Total pensions	185,992	336,053
An increase of Australia over Canada		150,061
Amount paid to pensioners	$28,530,000	$93,580,000
Increase of Australia over Canada		$61,150,000
Age limit		
Men	70 years	65 years
Women	70 years	60 years

That just does not add up, to my mind. Half a loaf may be better than no bread, but it does not add up when I am told that Canada cannot afford to meet the cost.

In this connection I wish to quote the words of my leader, a man who, in my opinion, has done more for the unfortunate people in this country than anyone else has done. I speak as an old-time Liberal, one of the few free traders on this side of the house—

Mr. SMITH (Calgary West): Who is the other one?

Mr. CRUICKSHANK: The Minister of Agriculture (Mr. Gardiner). I quote the Prime Minister as of March 26, 1926, as he is reported at page 1976 of *Hansard:*

If we were legislating as my hon. friend has suggested, for young people of the age of ten or twelve; if we were providing an old age scheme for page boys about the house, for schoolboys and girls, then it would be wise to lay emphasis upon the importance of a contribution on their part towards a system intended to help to maintain them in their old age. But I take it that this house at the present time, in discussing old age pensions, is not thinking of your people of ten, twenty or thirty years of age or even of persons of forty or fifty years of age. We are thinking more particularly of that large body of men and women now in Canada who are approaching the age of seventy years. We have in mind those between the ages of sixty and seventy who are finding it difficult to get the assurance that their declining years are not going to be spent in dependence on charity.

In the course of the debate today reference has been made to the old age pension scheme as though it were something related particularly to inmates of poorhouses. I am inclined to feel that there is no class in human society today that has not in its numbers a very considerable percentage of persons who are living in constant dread of the moment when, in their advanced years, they will be thrown upon their children or upon society for support.

One of the greatest needs in the industrial life of Canada today is that the standards governing industrial relations should be more or less identical as between one province and another. That can only be brought about by some kind of action on the part of the federal government leading to cooperation between the federal government and the provinces and among the different provinces themselves. I submit that this scheme of old age pensions as here drafted will have that effect.

It will be the natural thing to ask the representatives of the provincial governments to meet with the departments of the federal government which may be administering the old age pensions plan, to discuss further its details, and to consider the regulations for its effective operation.

I do not see why old age pensioners throughout Canada should be penalized because of the selfishness of two provinces which claim to have the greatest population and the greatest wealth, which has been built up at the expense of the rest of Canada. I refer to

Ontario and Quebec. Why should the rest of Canada, including the old age pensioners, have to wait because Ontario and Quebec have been selfish, through their present administrations? I suggest that is where this government and the minister are falling down, because, if Ontario and Quebec do not want to come in, then why should all the rest of Canada be penalized?

An hon. MEMBER: What does your leader say?

Mr. CRUICKSHANK: You can make your speech, and you will have to explain away the province of Ontario. You stay with us in British Columbia, and we will do our part. But why should we be asked to wait because Ontario and Quebec, for purely political reasons, and no other, ask us to? It does not add up.

I wish to point out why I think the present bill is inadequate, and why the present policy of the Liberal party is not sufficient. The leader of the C.C.F. made a quotation today in an excellent speech—although in it I believe he was taking an unfair advantage because after all, no party in Canada ever intends to live up to the promises it makes in a national convention. The Conservatives were going to blast their way into the markets of the world. We were going to reform the other place. Providence is doing its best to help us.

Mr. CASTLEDEN: That started in 1896.

Mr. CRUICKSHANK: Yes, and you were going to reform Saskatchewan, too. You were going to nationalize the breweries, but you did not do so. And you said we got campaign funds from them. But you have not nationalized them.

Mr. CASTLEDEN: That is part of the national programme.

Mr. CRUICKSHANK: Since when has Saskatchewan become national?

Mr. CASTLEDEN: The hon. member said it was part of the C.C.F. provincial programme.

Mr. CRUICKSHANK: Yes, and you said you were going to nationalize the breweries.

Mr. CASTLEDEN: We said it was part of the national programme.

Mr. CRUICKSHANK: You were going to nationalize them. Then you said we were getting campaign funds from them. I wish someone would give me some. You have no intention of nationalizing them. I know you raised prices and all that. I will tell the house what they did in Winnipeg in 1919, and here I should like to quote the Prime Minister, as reported on page 1116 of *Hansard* of June 25, 1940, as follows:

> Insofar as it may be practicable, having regard to Canada's financial position, an adequate system of insurance against unemployment, sickness, dependence, old age and other disability should be instituted by the federal government in conjunction with the governments of the several provinces. When the Liberal administration came into office in 1921 we indicated our hope that while we were in office we might soon be in a position to enact some measure of social insurance. It took time to gain that end. It was a new field for a federal administration to enter. Old age pensions appeared to be the obvious place to begin. It was possible to obtain the cooperation of the provinces for such a measure more readily than for one respecting unemployment, invalidity or health insurance. An old age pensions measure was enacted by the Liberal administration in office in 1927.

I believe the Liberal party has gone a long way in that connection; but, as I understand the policy of the Liberal government, it has not gone far enough. You have your choice and there can be no buts or ifs about it. We are not living in the ox-cart days, at least in British Columbia; we are living in the modern, atomic age. We do not want socialism in that province and we will never have it. I am not prepared to tell the people in my riding, and I do not think any member from British Columbia is prepared to tell his people that we cannot finance a decent living for the pioneers of this country. Any country which can finance $10 million to $12 million a day at times for destruction, surely can find ways and means to do this. I know nothing of monetary reform, but I do know something of common sense. No one can tell me that we cannot find the money to give a decent living to the pioneers of our country.

I want to tell the minister that I am a supporter of this government and I intend to support this bill, just as do my hon. friends opposite, because half a loaf is better than nothing. If I could move an amendment to double what these pioneers are to be granted, reduce the age limit and wipe out the means test I would be glad to do so. However, I realize that, since that would involve the expenditure of money, I cannot do so as a private member.

Let me say to the hon. member from New Brunswick who enthusiastically supports me: Will you go back to your riding and tell your people that that is the policy of the Liberal party, this measly little bill?

Mr. MICHAUD: I will tell my story tomorrow.

Mr. CRUICKSHANK: May I say to you—

Mr. SPEAKER: I ask the hon. member who has the floor if he will kindly address himself to the Chair.

Mr. CRUICKSHANK: I am sorry, Mr. Speaker.

I want to refer to 1943. A pension of $38.75 is paid in British Columbia, but New Brunswick, which should know better, being at the extreme other end of Canada and, like British Columbia, always having had a dirty deal from central Canada, paid $14.89 a month. I ask the hon. member to answer that tomorrow in his speech.

The hon. member for Fort William (Mr. McIvor) has just reminded me that I have not said a word about Port Arthur or Fort William. They are at the head of the lakes and that is a wonderful country. Edmonton is a wonderful place for raising sheep and hogs. I admire even Calgary.

Some hon. MEMBERS: Louder.

Mr. CRUICKSHANK: I am speaking low and I hope he will not hear me.

I can say the same for the hon. member for Qu'Appelle (Mrs. Strum). For once I am not in accord with my party on this bill. I do not think it is worthy; I do not think it is adequate; I do not think it is doing justice to the pioneers of Canada, and I do not think it is doing justice to the Liberal party.

Mr. WILLIAM IRVINE (Cariboo): Mr. Speaker, I had the honour of being on the first committee appointed to consider old age pensions. From the evidence given before us at that time. I came to the conclusion that a pension of $50 a month should be paid to the people of Canada who had reached the age of sixty or sixty-five years and that this should be a federal responsibility. I was alone in the committee in that regard, but I have not seen any good reason to change my mind on the matter up to this time.

I should like to preface my remarks with a brief quotation from an official summary of the legislation of the state of Washington providing for old age pensions. This states:

> On no other issue are the people of the state of Washington as well as our nation as united as they are in the recognition of the economic and social necessity of returning to our senior citizens, the fathers and mothers of our country, part of the wealth which their labour helped to create.

I imagine that is the sentiment of this house. There is no issue upon which there is so much unanimity in Canada as that of the need of taking care of our older people. As a matter of fact old age pensions are not of interest only to our older people; they are of equal interest to our young people. Many times it relieves them of burdens which they are unable to bear, the burden of taking care of old parents, or grandfathers and grandmothers. But apart from that, if any person in Canada is lucky enough to live long enough he may want an old age pension. So it matters not how you consider the thing, this is an issue which directly affects every one in this dominion.

Most speakers have repeated the statement made by the hon. member for Calgary West (Mr. Smith) to the effect that no party can claim a monopoly of interest in this question. Most certainly I do not make any special claim and I do not think any one has made that claim. We all recognize that it is not a political question in the narrow sense of partisan politics, but we also recognize that it is fundamentally a political as well as an economic question in the wider application of those terms. Nevertheless, while it is not necessarily a partisan political question, there can be no doubt that the views which form the background of party policy do necessarily affect the actions of a party in power with respect to this or any other issue.

I think it is true to say that the Minister of National Health and Welfare (Mr. Martin), who is piloting this bill through the house, did strike a political note in introducing the legislation; and perhaps he merited the criticism which a number of hon. members made to him for having done so. I think, however, that he perhaps made a mistake in his own interests He quoted to us the programme which the Liberal party offered to the people of Canada at the last election. It was a fairly good programme with respect to old age pensions, even though it did not go far enough; but it did propose to increase the amount paid to old age pensioners; it did propose to lower the age at which pensions were to be paid, and it did propose to remove the means test. Of course that is not being done. It is true that they are raising the dominion contribution slightly, so that it makes possible a pension of $50 a month; but I venture to say that if an account should be taken of the increased cost of living as between 1947 and 1926 when the Old Age Pensions Act was originally introduced, the present proposal will grant a pension very much lower in purchasing power to the people of this country than was done in 1926. Therefore this does not really represent an improvement over the original act.

The Minister of National Health and Welfare went on to say that the reason why the programme as promised by his party was not being implemented to the full in this legislation was that the provinces had failed to come

to a satisfactory arrangement with respect to taxation and other matters of interprovincial and dominion importance. In this way he found for himself an excuse, if not a reason, for the limited advance which he is proposing in his legislation. Then he rose in his place today when some hon. member from the Progressive Conservative party was speaking and suggested that the legislation now proposed had so stimulated the premier of Ontario that he had come forward with a proposal to pay $40 a month old age pensions to the people of that province. I thought that was very well counteracted by the hon. member for Eglinton (Mr. Fleming) when he pointed out that, in doing so, the premier of Ontario was doing what this legislation or the parliament of Canada had failed to do for all the provinces of this dominion. But I think the argument might be carried beyond that. It is true that Premier Drew has been one of the stubborn figures that have prevented a satisfactory arrangement between the provinces and the dominion—

Mr. MERRITT: That is not so at all.

Mr. IRVINE:—in matters of this kind. I am not criticizing Mr. Drew in that. I am merely saying that he was one of the stubborn ones, in the sense that he had some ideas which were not satisfied. I am not blaming him; he may have had a good idea. I am only pointing out the fact, and he might now very well say to the other provinces which have accepted the agreement: "Look, our province which did not accept the agreement is now paying $40 a month and you have to be satisfied with $30 or less as the case may be." Therefore I think from a political point of view the minister was perhaps not as astute in the particular efforts that he made as he usually is.

In this connection I should like to say that I deplore the inequity which is likely to develop between the provinces in a matter of this kind, an inequity which is inexcusable and indefensible. The fact that British Columbia may have a little greater natural wealth than some of the other provinces and may be able to pay a little more to its older people is no reason why people in another province with a little less natural resources from which to draw should have to receive less; especially let us say, people living in the city of Winnipeg, living in a country which is very cold in the winter time, where older people need more warm clothes, more coal to keep them warm, a better house in which to live and such improvements as must be available in a country with a climatic condition as rigorous as the winter is in Manitoba, Alberta and Saskatchewan; whereas in, say Victoria, where they can almost live in a shack and still be as comfortable as they are in Winnipeg in the winter time and—

An hon. MEMBER: At any time.

Mr. IRVINE: All right, at any time, and where they can live on less food of certain kinds. It seems ridiculous that there should be that disparity. I am emphasizing this point, sir, that whatever amount of pension is paid in Canada must be paid on the basis of Canadian citizenship; that to be done in that way it must be fundamentally a federal responsibility, and to allow this hole-in-the-corner business to go on is representing a viewpoint that is beyond comment.

The hon. member for New Westminster (Mr. Reid), in commenting on the bill, had something to say about the necessity of changing the constitution. I have no doubt that it may be wise and necessary to change the constitution here and there. But I want to point out to him and to the house that the same constitutional right which the government now exercises in paying a pension of $30 a month at the age of seventy with a means test can enable them to pay $50 a month at sixty-five without a means test. There is no fundamental change in the constitution which will differentiate between a pension of $30 a month and a pension of $50.

Most of the speakers from all sides of the house have indicated in this debate that they intend to vote for the measure. I will not go so far as that at this moment; I am not so sure about it. The other day I was reading a letter from an old pensioner who said virtually this: "I cannot live on $30 a month. I am less than existing, and if it is not going to be improved sufficiently to make an existence possible it might be better to stop it altogether and end the matter much more quickly." That is the view of a pensioner. Perhaps the house would not wish to go that far with him, but still there is a good deal of logic and reason in what he says. Everybody admits that $30 a month is too little for one to live on. Well, if they cannot live on $30, what do they live on when they have nothing to live on but $30? They try to eke out an existence which gradually saps their strength until they tumble into the grave a few years sooner than they otherwise would. That is a miserable way for our old people to end their lives. Moreover, taking the argument that if we vote against this measure it may appear to the old age pensioners that we are depriving them of the proposed increase

of $5 a month, by that same logic we would be prevented from amending this bill at any time in a manner that is worth while, and sooner or later we shall have to do what I once heard a French-Canadian friend of mine, who got a little mixed up in his English idioms, say: "Some time we will have to grab that bull by the tail and look her straight in the eye." I say that some day we shall have to face up to this issue and not be afraid of its political implications. The fact that we stand for a greater pension may for the moment put us in the position of being opposed to the pension bill which is now before us.

The burden of criticism so far levelled at the bill by those who are opposing it may be summarized, and I shall summarize it, very briefly; because the same road must be travelled by me in this regard as by others. I do not wish to weary the house by going into details and an elaborate comment on points that have already been dealt with pretty thoroughly by a number of speakers. But perhaps I may put it in a little different language and do so briefly.

The first and most obvious criticism is that the pension is too little. It may be assumed that a little of something is better than nothing of anything. I think that much may be said for the bill: A little of something is better than nothing of anything. But $30 a month is not enough for anyone to live on in Canada. The minister himself admits that. He said it was not enough.

Mr. MARTIN: Is the result of this bill in six provinces not more than $30 a month?

Mr. IRVINE: I am going by the bill, and if the minister can show me how it produces more than that, and how it might not produce less, I shall be glad to listen to him when he replies to some of the questions that have been asked by a number of speakers, who have taken the same view of the legislation that I am now taking. As I say, if we have misinterpreted the bill, then, in the first place, the minister has no one to blame for that but himself. He should have spent his time in telling us exactly what the legislation does mean instead of leaving us to interpret it for ourselves and then saying that we have not the right interpretation of it. Instead of that, he spent much of his time in building up party propaganda, which, I think, may be a boomerang and come back at him later.

It has been mentioned in the debate that not only is the $30 a month too little for any individual; but in the case where the old age pensioner, the head of the house, has a wife, who is younger than he is by a few years, he still has to maintain his wife. This view was first expressed in this house, so far as I am aware, by the hon. member for Swift Current (Mr. Bentley), and I believe it has been implemented in the soldiers pension act. But the point I want to emphasize is not only that, in the case of a man who has reached the age of seventy, who has a wife of sixty-five, that thirty dollars has to do both of them. I would point out the case of the woman whose husband has died before she gets any pension at all. I had a letter yesterday from an elderly lady about sixty-five years of age, whose husband had just died of cancer, and she told me that, in order to pay the hospital bill and bury her husband, she had sold their cows and even their chickens. There are no pensions for widows of that type in any of our provinces. She is left absolutely stranded. She is not able to work for a living, and she has no means, until she reaches the age of seventy, of receiving any income at all. How she is to reach the age of seventy without any income at all is more than I am able to say.

The minister frankly admits that $30 is not enough. But if it is not enough, why is it not enough? I reiterate the question put by the member for Vancouver East (Mr. MacInnis): On what basis were the calculations made? How did the government arrive at $30? What was the object of arriving at $30 if it were not to make it possible for the older people to live on that amount? I want to emphasize again that if the people of Canada, with our great wealth of natural resources, with the extent to which modern science has been applied to production, with our great plant equipment and our capital equipment, and with our technical skills, can produce the food and clothing as well as the homes necessary to keep our old people in decency during the last years of their lives, then there is no reason under heaven for stopping them from getting what is necessary.

Can that be done? Can we produce enough for our older people, or must we submit to a condition under which the old people of Canada must be allowed to go on suffering under an inadequate provision during their old age? I say, in the first place, that we can produce more than ample of the goods required for sustaining the lives, not only of our aged people, but of all our people. The Minister of Finance, (Mr. Abbott) indicated that our production in Canada this year will reach $12,000,000,000. That is a considerable income for the nation and represents a vast advance over 1926, when this legislation was originally passed. But I suggest to the minister that not only can we produce $12,000,000,000 worth, but with the increased facilities of production which the war stim-

ulated we can produce in the next few years very much more goods with even less labour than we did before.

I saw an estimate by a competent statistician in the United States that in 1947 they will be able to produce, with approximately 30,000,000 men, what it required 40,000,000 men to produce in 1938, and I imagine a similar advance has taken place in Canada. So that there are two grounds, as I see it, upon which we should arrive at a pension that should be paid to our older people. The first is, what are the essential needs of our old people, in food, clothing, shelter and a little bit of the comforts of life? What are the irreducible minimums of services that they require? The second is that our old age pension should either be based on that or be commensurate with the national income when production is in full swing. Those are the underlying principles.

The next point of criticism is that not only is the pension too little, but it is too late. It is too late because many of our older people from sixty to sixty-five and up to seventy die in poverty and misery before they are seventy years of age and never get any pension at all. It would appear to me that the principle behind the present bill is, "Not to many and not for long"; for if we maintain the age limit of seventy it will not be to many; and it will not be for long that those who get it will continue to do so.

I now wish to mention what is done with regard to the age limit and the means test in a few other countries of the world. Denmark pays pensions at sixty and Sweden at sixty-five; Britain, at sixty-five for men and sixty for women; Australia at sixty-five for men and sixty for women; Russia, at sixty for men and fifty-five for women. None of these has a means test at all. With regard to the means test, I think the thrift argument was pretty well exploited. As a matter of fact, it is a double-barreled argument, but I think the hon. member for Vancouver North (Mr. Sinclair) and my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell) fired the same barrel. They pointed out that there was no incentive given to those people who tried to put away a few dollars each year in order to secure for themselves an annuity at a certain age, because when that time came they were not recompensed as were other citizens who qualified for the old age pension; thus they had little encouragement to save. But the same argument applies to the old age pensioner himself. Up until this bill came in, I think it was something like $125 a year which he was allowed to earn, if he could. Here and there there are individuals who might have done a little better than that; but if they did, it was taken away from them or their pension was reduced accordingly. In this bill the amount has been silghtly raised. The limit of the means test has been modified somewhat. But still, if the pensioners received the highest amount they could receive, they still would not have a sufficient income on which to live comfortably in Canada at the present time. The pensioner himself should be allowed to make all that he can, if he can make anything, and his pension should be paid regardless of his income.

The next point is that no permanent plan for adequate old age pension is contemplated in this legislation. I want to emphasize the point of view that my group has constantly put forward, that there should be an over-all social security programme for Canada, which would have to be carried out through federal legislation, whether by cooperation with the provinces or whether by an amendment to the constitution which gives the federal government the complete right to pass such legislation. I do not think we are going to worry about what the actual details of the technique of bringing it into fulfilment may be. What we are interested in is to see that it is brought about. I believe that it can be brought about even under the constitution as it is. But if not, let us take steps to change it.

In the second place, I believe that such a system might very well be contributory. If we look at the amounts which reasonable pensions would involve, we shall see that perhaps it would be wise to have a contributory system started as soon as possible. The programme which the government promised, but which it is not giving, would have cost Canada in 1947 over $550,800,000; in 1951, $731,520,000; and in 1971, $1,100,880,000. I am not worried any more than anybody else about the millions and the billions. Under the system under which we are living, every government must find the means by which this is to be done. That means collecting through taxation under our present system That could very well become a burden in taxation which was too great. But in the last analysis, all our old age pensions must come, somehow, in some way, from the people. It is merely a matter of arrangement. I think it might be advisable for the government to undertake, as quickly as possible, a scheme by which contributions may be made by individuals, starting young, so that very soon we should have a contributory system fully developed which would afford to all

the people of Canada a worth-while income. I am in thorough agreement with the hon. member for Vancouver North. I want to take this opportunity to pay a compliment to that hon. gentleman. I want to congratulate him. He is a brilliant young man and he has shown courage. He stood up for the thing he wanted. In doing that, not only did he do honour to himself, but he honoured the membership of this house; more than that, he honoured the party to which he belongs; for no party which holds within its ranks people who are free to say things, as he was today, can be said to be utterly dead.

Mr. MARTIN: You cannot do that in the C.C.F.

Mr. IRVINE: Yes, we can, or I would not be in it. We have always taken that attitude; that is why I feel free to congratulate the hon. member on what he did and what he said. I want to press the minister, when he closes the debate, to indicate that he is willing to allow this bill to go to the appropriate committee for more careful consideration. I venture to say that if it had not been that an amendment to the motion for second reading, to send the bill to a committee, might have had the effect of killing the bill, such an amendment would have been moved long since. No one wants to kill the thing, though it is only a matter of $5 a month or $60 a year for every old man and every old lady of seventy. That is all we are talking about; but, even so, no one wants to take the responsibility of killing it and preventing them from getting that much more. But none of us is satisfied with it. When hon. members say they are disappointed they put it very mildly indeed; and those who have said that are just echoing what all Canada will say.

In conclusion, I repeat what I said in the beginning, that there is no other issue upon which all the people of Canada are more completely united than this one, and I hope the minister has realized that in listening to the reaction of this house to the bill he has introduced. I should like to support the bill, provided that it goes to that committee where there may be some hope of amending it. Until I am sure it is going to that committee, I shall not commit myself as to whether or not I shall vote for it. But I would say the time has come when we should cease playing with an issue of this sort—

Mr. MARTIN: Hear, hear.

Mr. IRVINE: I hope my hon. friend means that from his heart—an issue which is fraught with so much misery or so much happiness for the people of Canada, depending upon the contents of the measure now before the house.

Mr. C. C. I. MERRITT (Vancouver-Burrard): I should like to congratulate the hon. member for Fraser Valley (Mr. Cruickshank) on his contribution to this debate. I think he said many things to which the government and the minister might well listen, coming as they do from a member of the government party. I was particularly interested when the hon. member quoted the words of the Prime Minister (Mr. Mackenzie King) in 1931, in which he said he would go as far as grants in aid to the provinces in order that the dominion might take over the whole cost of old age pensions. I could not help thinking, when I heard those words read, how very far below that principle the Prime Minister and the government have now dropped, and what a great recession from the green book proposals is being made in the measure presented to the house by the minister.

In what was said by the hon. member for Fraser Valley, there was only one thing with which I did not agree. He suggested that there was some need to wait, in connection with this matter of old age pensions, until there was a general agreement with the provinces and a new conference. I suggest, Mr. Speaker, that there is no need to wait for a new conference or for fiscal agreement before the policy to which the Prime Minister pledged himself in 1931 is carried out. If the dominion is to take over the full cost of old age pensions for those over seventy years of age, why is there any need to wait? I have here the green book proposals of August, 1945. After referring to the national health programme and pointing out that it provides for dominion assistance to a series of provincially administered health schemes, those proposals go on to say, at page 42:

> The proposed system of old age pensions payable as of right without means test to persons seventy or over would be instituted and administered by the dominion government and specific agreements with provincial governments would not be essential to its implementation.

I simply want to say to the hon. member for Fraser Valley and to the minister that there is no justification whatever for the government to hide behind the projected dominion-provincial conference and neglect to implement its green book proposals on old age pensions. I suggest to the hon. member that, instead of getting up as he does and criticizing the government from that side of the house, we shall never have action of the kind he wants as long as he continues to support this government. I want to make this prophecy now, that

the social security programme set out in the green book proposals of 1945 will never be implemented by this government. It is my belief that they have gone a long way from those proposals and that they have no intention of carrying them out in the form in which they were made in August, 1945.

Mr. MARTIN: That is not the case; we have gone toward them.

Mr. MERRITT: The minister interrupts and says that is not the case, but we have only his statement to that effect. I have made my prophecy and I stand by it. I am quite satisfied that what I have said will prove to be the case, and that we shall never have these proposals carried out by this government.

What is there in this bill? There is not even an increase of $5 provided by the dominion government. The actual increase in the pension being provided by this government is $3.75, and a further $1.25 is being placed upon the provinces. When I look at the figures concerning my own province I find a peculiar situation. Under a Conservative prime minister in 1931, the dominion assumed seventy-five per cent of the cost of old age pensions, leaving twenty-five per cent for the provinces. That was an advantage to the provinces over the original scheme brought in, as we have heard *ad nauseam,* by a Liberal government. Now, only fifteen years after Mr. Bennett took over that additional twenty-five per cent, I find that British Columbia is once more bearing almost fifty per cent of the actual cost of the pensions being paid there. The province is paying 43·75 per cent of the cost and the dominion is paying 56·25 per cent. It looks to me as if in this bill all the good work done by Mr. Bennett in 1931 is being undone.

Mr. MARTIN: Did he raise the pension?

Mr. CASSELMAN: You heard what he said.

Mr. MARTIN: Did he raise the pension?

Mr. MERRITT: I think the minister is not being very successful in his interruptions in this debate. I happened to be away yesterday, but we received almost hourly bulletins. There were reports as to his continual interruptions when people were speaking, and the reports were that he had been very unsuccessful in those interruptions. So I suggest to him that he might be well advised to desist in that practice.

Mr. MARTIN: Hear, hear.

Mr. GRANT: What did Bennett promise to pay?

Mr. CASSELMAN: Oh, keep quiet.

[Mr. Merritt.]

Mr. MERRITT: That very interruption by the minister brings me nicely to my next point. The minister has asked how Mr. Bennett's change helped the old age pensioners. I will tell him. The worst feature of this bill is not merely that it is not raising the pension as much as it should, but rather that it is pushing all future responsibilities and initiative on to the provinces. And in doing that, it is making it very dfficult indeed for the provinces to raise the pension in the future. It is putting an almost insuperable barrier in the way of the old age pensioner getting any increase, so long as the ultimate, whole responsibility lies on the provinces.

The old age pensioner can best hope to have his pension increased by the dominion assuming a greater proportion of the total cost. And the proof of that is in the fact that my province has been able since 1931 to add $12.50 to the amount they were paying, while the dominion has added only $7.50 in that time. As you continue to push the provincial government percentage of payment up, and as you bring it, as it is going now, back toward fifty per cent of the total pension paid in my province, so you reduce the power of the province to give any further increase.

When one reads what the minister said in introducing the bill, and when one sees that he relies so greatly upon the provinces to give increases over the uniform pension he is providing in this bill, it is clear that it is his definite intention to leave any future increase entirely up to the provinces. And I feel sure that that policy is one which will not do the old age pensioners much good in the future.

I wish to turn to a point which arises out of the regulations. There were many who hoped that the dominion would carry out its promise of 1945 and bring in an old age pension at the age of seventy, without a means test. But that hope is now completely dispelled. What I would not have expected was that the means test would be tightened up.

Mr. MARTIN: It has not been.

Mr. MERRITT: There is the minister, interrupting again. And he will prove to be wrong in his interruption, as he has in every other case. I have before me the old and new regulations. I find that, under the old regulations, an annual visit to old age pensioners was required. The purpose of the annual visit was to check up on the means of the old age pensioner, to find out if his circumstances had changed, and if, therefore, he was no longer entitled to pension. However, in section 6(c) of the old regulations, the pension authority was permitted to waive that

annual inspection, in cases where it was satisfied by other information that the circumstances of the pensioner had not changed. But when we turn to the new regulations and look at section 5(5) we find that the discretion given to the pension authority to waive the annual visit, and to be satisfied on other information that the circumstances of the pensioner have not changed, has been removed. The pension authority is now bound to make a personal annual visit every year to check up on the circumstances of the old age pensioner, whether or not there is any real need for that personal visit.

I wish to ask the minister to look into those subsections I have mentioned to see if he cannot restore the previous position.

Mr. MARTIN: Of course your statement is inaccurate.

Mr. MERRITT: I have the regulations in my hand.

Mr. KNOWLES: The minister is treating you in the way he has treated everybody.

Mr. MERRITT: The minister can look it up for himself and see whether or not I am accurate. If he looks it up and finds that the new regulation is not different from the old one, I shall be satisfied. But he will not find it so.

When I am on this question of means test—now that we are going to keep it—let me say it seems to me that one of the nagging and undesirable parts of the test is this annual check-up. If the minister will look at *Hansard* for April 10 of last year and refer particularly to page 733 he will find where the hon. member for Vancouver East (Mr. MacInnis) put on the record the holdings of real and personal property of old age pensioners in British Columbia for 1944-45. I shall not read them into the record at this time, but shall simply say that eighty per cent of the old age pensioners in British Columbia in that year had less than $1,000 worth of real property to their names. Then, ninety-four per cent of the old age pensioners had less than $1,000 in personal property to their credit.

It seems to me that this annual visit might well be made for the purpose of seeing how the old age pensioners are getting along, and whether they have any complaints or needs which social welfare authorities can satisfy, rather than asking them questions to find out whether they have inherited any money or come into any property, so that the pension can be cut down. I believe the annual visit is a good thing if it is done for the welfare of the old age pensioner, but it is a bad thing if it is done simply to pry into his affairs. The facts are, and these percentages show, that the vast majority of these old people have not a great deal of chance of being forced off the pension by sudden wealth, once they have passed the original means test. Could not instructions be issued that this visit should be one for the welfare of the individual and not primarily for the protection of the treasury?

I believe that the pensions for the blind should have been treated differently from old age pensions, particularly with regard to the age limits and residence qualifications. The age of forty is a most arbitrary figure. I am at a loss to understand how a man who has got along without his sight until he reaches forty years of age becomes much less fit to look after himself after forty. I am sure that the age limit could be reduced without any great added expense to the country. Then the residence requirements should be vastly different. Blindness does not only happen at a young age or at birth. A person may be rendered blind through an accident, and I feel that if the individual needs help he should be eligible for a pension without having to wait for any period of years.

(Translation):

Mr. REAL CAOUETTE (Pontiac): Mr. Speaker, as it is close to eleven o'clock, I move the adjournment of the debate.

Mr. GAUTHIER (Portneuf): There are still ten minutes to go.

Mr. HARTT: There are still five minutes to go. We wish to hear you, you speak so well.

On motion of Mr. Mitchell the house was adjourned.)

(Text):

On motion of Mr. Mitchell the house adjourned at 10.55 p.m.

Friday, June 20, 1947

The house met at two o'clock.

STANDING ORDERS

Sixth report of the standing committee on standing orders.—Mr. Bertrand (Prescott).

CIVIL SERVICE

USE OF WORD "COLOUR" IN QUESTION ON APPLICATION FORMS—PRESS REPORT OF PROCEEDINGS OF JUNE 19

Hon. COLIN GIBSON (Secretary of State): Mr. Speaker, as a matter of privilege I should like to refer to an article which appeared in

the press last night and this morning concerning a question asked yesterday by the hon. member for Winnipeg North (Mr. Stewart). The article states:

State Secretary Gibson said today in the Commons that applicants for civil service positions were asked to state their colour so that the civil service commission could place them in the "proper position."

The words "proper position" are in quotation marks. Those were not the words I used. As will be found in *Hansard,* what I said was:

. . . the question on the application form as to colour is to enable the commissioners, when an application is received from a member of the negro race, to place the applicant in a position which will be congenial.

WHEAT BOARD

REPORT FOR CROP YEAR ENDING 1946—REFERENCE TO AGRICULTURE COMMITTEE

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I wish to lay on the table the report of the Canadian wheat board for the crop year ending 1946. These two copies are typed. Every effort has been made for days and weeks past to get this report ready as quickly as possible so that it could be presented to the house at the earliest possible day. All I have to present today are the two typewritten copies. Printed copies will be here, I am told, by Monday or Tuesday. I move that this report be referred to the committee on agriculture. The officials of the Canadian wheat board will be here from the middle of the week onwards.

Mr. WRIGHT: Will last year's report be presented at the same time for consideration?

Mr. MacKINNON: Last year's report will be available for discussion before the committee on agriculture at the same time, as well as any reports that have not heretofore been discussed.

Mr. BRACKEN: Can the minister say what the average price was for the wheat sold outside the British wheat agreement?

Mr. MacKINNON: I gave the house the figures for wheat sales for the past two weeks. Does the hon. member refer to the whole period that we have been selling No. II wheat?

Mr. BRACKEN: I was asking for it for the past year.

Mr. MacKINNON: I can get that, Mr. Speaker, but it seems to me that as the matter will be referred to the committee, the leader of the opposition can get the information at that time.

Motion agreed to and report referred to agriculture committee.

[Mr. Gibson.]

APPLES

NOVA SCOTIA—REPORTED CESSATION OF BRITISH PURCHASES

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): I should like to direct a question to the Minister of Trade and Commerce. I have not had an opportunity to give him notice of it, so I do not expect him to answer it immediately unless he happens to have the information at hand. In view of a recent announcement by the minister of agriculture of Nova Scotia, as reported in the press, to the effect that Canadian apples are likely to be cut from the list of British purchases made in Canada, will the minister make a statement to the house as to what the actual situation is? What may the house expect from the government by way of policy to meet this situation? I do not need to mention the importance of this question to the producers of apples in Nova Scotia.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I believe this question should properly be dealt with by the Department of Agriculture and possibly the Department of Trade and Commerce. I shall look into it, and if I am not here to answer it immediately, I will see that an answer is given.

Mr. BRACKEN: Will the minister see that it is directed to the proper department?

Mr. MacKINNON: Yes.

FEED GRAINS

DIVERSION FROM BRITISH COLUMBIA TO EASTERN PROVINCES

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to direct a question to the Minister of Trade and Commerce. I am sorry I did not have time to give him notice of it. In view of the urgency of the matter, I would ask the minister to take particular note of it and give an answer on Monday. Many hon. members from British Columbia, including the hon. member for Fraser Valley (Mr. Cruickshank) and the hon. member for Victoria, B.C., (Mr. Mayhew), this morning received an urgent wire from the minister of agriculture of British Columbia drawing their attention to the fact that feed grains and coarse grains are being diverted from British Columbia and directed to the eastern provinces, as a result of which the dairy industry in British Columbia is facing a shortage of coarse grains.

Some hon. MEMBERS: Order.

Mr. REID: I am giving the minister notice of my question.

An hon. MEMBER: Sit down.

Mr. REID: I will sit down for the Speaker, but for no one else.

Mr. SPEAKER: I would ask the hon. member, if he is giving notice of a question, to be brief and to the point.

Mr. REID: I thank you, Mr. Speaker, but I am endeavouring to be brief. I am asking the Minister of Trade and Commerce if he will give an answer on Monday with regard to the diversion of feed grains to the eastern provinces, leaving the dairymen in British Columbia destitute of grain.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I should like to say a word in reply to the hon. member. I will see that his question receives the attention of the proper department. It is not a matter which comes wholly under the Department of Trade and Commerce.

PORT OF CHURCHILL

ADEQUACY OF LABOUR FORCE DURING SHIPPING SEASON

On the orders of the day:

Mr. R. R. KNIGHT (Saskatoon): I should like to direct a question to the Minister of Transport. In view of the fear expressed in British shipping circles, can the minister assure the house that an adequate labour force will be on hand at the port of Churchill during the shipping season to handle grain and goods to the full capacity of the port?

Hon. LIONEL CHEVRIER (Minister of Transport): The hon. gentleman's question was directed to me just a short while ago. While I have not a full report, I think I have sufficient information to answer the question. He asks whether there will be sufficient labour at the port of Churchill to look after shipments of grain and goods to the United Kingdom. I must say to him first of all that it is not the responsibility of the national harbours board to look after stevedoring operations. That is the responsibility of the shipping firms and their agents. But in the past the national harbours board has followed the practice of recruiting a labour force in that area. It is willing to do that. I am informed by the port manager that some sixty-five or seventy men will be required to do that work, and we think it will be possible to get that force.

The hon. gentleman in his question goes on to ask if grain and goods to the full capacity of the port can be handed by the labour force. I must say to him that if his question is directed to mixed cargoes of grain and lumber, I do not think there will be a great deal of difficulty. If it is directed to lumber alone, then it will take an additional one hundred men, and I do not think it will be possible to recruit that force. However, the national harbours board will do its utmost to assist if notified of the labour force required. It has all facilities available at Churchill for general cargo. I wanted the hon. gentleman to keep in mind the fact that the responsibility for stevedoring is not that of the board but rather that of the shipping companies.

Mr. ISNOR: If there is any question as to the port of Churchill being able to handle these shipments, I suggest they be handled through the port of Halifax.

SUPPLY

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

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

National health branch—

215. Assistance to provinces for control of venereal diseases under regulations approved by the governor in council, $175,000.

Mr. FLEMING: Will the minister give the expenditure under this item? I should like to have the breakdown of grants by provinces.

Hon. PAUL MARTIN (Minister of National Health and Welfare): Estimate for 1946-47, $175,000; expenditure for the same period, $171,850.29; unliquidated commitments, $1,242.05.

Mr. FLEMING: This item provides for assistance to the provinces for the control of venereal diseases under regulations approved by the governor in council. If the same basis of distribution is in effect as was in effect during the previous year, the division is based, thirty per cent on the population, forty per cent on the extent of the venereal disease problem, and thirty per cent on the financial needs of the province. Will the minister give the distribution of the money to the provinces, please?

Mr. MARTIN: The net cash grants were as follows:

Prince Edward Island	$ 4,297.94
Nova Scotia	9,462.28
New Brunswick	7,968.86
Quebec	38,165.64
Ontario	42,491.11
Manitoba	10,585.88
Saskatchewan	11,649.23
Alberta	11,463.74
British Columbia	12,665.32
	$148,750.00

Mr. FLEMING: The balance, I take it, represents that educational reserve?

Mr. MARTIN: That is right.

Mr. FLEMING: And if I understand correctly that work of education, for which the sum of approximately $25,000 was reserved, is carried on directly under the federal Department of National Health and Welfare?

Mr. MARTIN: Yes.

Mr. FLEMING: I think it is appreciated by all hon. members that this work in combating venereal disease is largely within the jurisdiction of the provinces, and that apart from extraordinary times such as existed during the war, when the federal government had an opportunity to render more active assistance in this field, in normal times the field open to the federal government is somewhat limited. But I would like to ask the minister whether, apart from making these grants out of this sum of $175,000 a year, the federal government is doing anything to encourage or assist the provinces in developing more active measures for discovering the sources and extent of venereal disease. The minister is aware, as I hope the entire committee is aware, of an important step taken in recent months in Ontario, for instance, in connection with prenatal tests. I think it is of interest to the house to learn the results of those tests. This information was given to the press by the Ontario department of health, and appeared in various newspapers on May 15 of this year. The newspaper article states:

An average of 3,900 expectant mothers per month have been taking advantage of the Ontario health department's offer of one free prenatal examination by their own physician, it is shown in figures released at Queen's Park yesterday.

While the act authorizing this examination at the expense of the province was passed at the 1946 session, it did not become operative until October 1 last. Since that time and up until April 30 last, 27,332 women in 346 municipalities have been examined on this basis by 1,243 physicians. The province pays $5 for each examination upon which a report is submitted.

Department officials said "screening" of the reports to extract significant data from them is proceeding slowly and it is too early to comment upon this phase of the work. The incidence of "V.D." however, is below that anticipated.

I should like to add this observation, that of course the compilation of information as to the incidence of venereal disease is only one of the purposes of the free prenatal test; but having regard to the results already obtained I do suggest to the minister that if anything can be done within the proper scope and function of his department to encourage other provinces to undertake the provision of free prenatal tests, the advantages accruing not only in connection with combating venereal disease but in connection with combating other very serious inroads on the public health of the nation will be very greatly increased.

Mr. MacINNIS: I should like to ask the minister one question in regard to this item. I have not been paying strict attention, and he may have replied to it already. What supervision does the federal department have in connection with this grant of $175,000 to see that it is properly used for the purpose for which it is made?

Mr. MARTIN: As the hon. gentleman will understand, this is primarily a function of the provinces, but we do help through the distribution of funds, the collection and compilation and analysis of statistical data concerning venereal infection, through the preparation of lay and professional educational material using all appropriate media, and through the provision of consultative professional medical services. We do try to encourage any provinces which may not seem to have done as much as others, by way of suggestions. At annual meetings of the dominion council of health, where all the provincial governments are represented through their deputy ministers, we have an opportunity of bringing to their attention what has been done in particular provinces where advances have been outstanding. The hon. member for Eglinton has just referred to something which is done in one specific province. At the last meeting of the council, about four weeks ago, the representative of Ontario indicated to the others what they had done. This kind of exchange of information is carried on. Then at the end of the fiscal year each provincial government submits a detailed statement of the expenditure of federal funds and the purposes for which those funds were used, including a detailed narrative report indicating the actual accomplishments of the venereal disease control programme in that province, accompanied by substantiating statistical information. Every effort is made to meet this problem.

Mr. MacINNIS: I am aware that this problem falls within provincial jurisdiction and that the federal department helps out. All I had in mind—and I think the minister has satisfactorily answered my question—is that if any province did not make proper use of the grants, in my opinion the grants should not be continued to that province. That was the purpose of my question.

Mr. MARTIN: The grant would not be continued in such case, but I am happy to say there has been no such instance as yet.

Mr. MacINNIS: I am happy to hear it.

Mr. CHURCH: I want to ask the minister a question regarding the statement made last night by Doctor W. E. Gallie, dean of medicine of the university of Toronto, concerning the rural portions of the country outside the cities and towns. At a dinner given in his honour last night—he has been chief surgeon of the Toronto General Hospital for many years—he proposed that zones should be mapped out all over Canada for specialists in surgery, so they could have all the facilities which modern science and medicine have produced in recent years, particularly during the war. My question to the minister follows closely along the lines of what I had to say the other evening in reference to greater medical aid to these universities throughout our land that are doing such great work. After all is said and done, medical science has played a tremendous part in the life of the country, and important discoveries have been made in recent years. We are now on the verge of a great revolution in medicine and surgery; and in order that people in remote places may have the full benefit of scientific developments I believe the government would be well advised, by bonuses, subventions and subsidies, to support the type of federal aid suggested by Doctor Gallie, which people do not now receive. We know that patriotic citizens have helped hospitals, and that they have helped medical science and dental science but, owing to the heavy taxation they cannot carry the whole burden. I wish the minister would study this matter and confer with the authorities of the university of Toronto and other universities, to see if federal aid along the lines I have indicated cannot be provided. Perhaps the minister would make a statement in the matter.

Mr. MARTIN: The hon. member, who is keenly interested in this matter, has spoken to me privately about it on several occasions. I believe he has spoken also to my colleague the Minister of Reconstruction and Supply under whose department the national research council operates. I too have been interested in this problem, and I may say to him that the matter to which he has referred is under active consideration.

As the hon. member knows, one of the eminent scientists of Ontario, Doctor C. H. Best, who by the way is a great friend of the hon. member, is one of the members of the medical research division of the national research council. Doctor Collip, Doctor Simard and several other distinguished scientists also serve on the committee which keeps this problem under constant review. While I am not in a position to make any further statement with regard to future prospects, I can say that the question raised by the hon. member is one of great importance and that, particularly as it affects cancer research, it is under active consideration.

Mr. CHURCH: Our worthy deputy chairman has been closely associated with a hospital in his own constituency, and I understand he has a daughter who is a nurse and a son-in-law who practices as a surgeon at Kamloops—Doctor Verrett, a returned soldier and former student of Doctor Gallie's. I have not had his consent to mention this fact, but I take the liberty of doing so.

Under a zoning system a young doctor who knows something about surgery would be most useful, and the poor people throughout the country would get some relief. Consider the Indians for a moment; they were here two hundred years before the English or the French, but they have not even yet any doctors or nurses to attend to their needs. In fact we have been trying for two years to find out if they are citizens. The fact is that they were citizens long ago, and if that is so they ought to be given this service automatically.

I do hope the minister will consider this matter seriously during the recess. I am hopeful that in the supplementary estimates, before the close of the session, he will announce some kind of grant to men of science like Doctor Best, and many others. There are two or three such men at McGill and at Toronto and other universities, and there are men right across Canada engaged in medical science who could do this work.

In recent years, medical science, the brightest child of all the sciences, has made remarkable strides, with the result that today the life expectancy has been increased to the extent of ten or fifteen years. This has been brought about mainly through the development of preventive medicine, new scientific methods and new methods of surgery. I hope that instead of operating only a skeleton department which used to spend about a half a million dollars before the war, the department will take a more active interest and expand accordingly. Before the war France and Germany operated under a plan whereby, instead of permitting their medical students to work on boats, or as cooks or in other occupations, during the summer months, they were conscripted by the state to help in scientific work. We can take a leaf out of their book in that regard and, instead of permitting these young students to do outside

work during the summer and then go to the United States, have them do some work connected with medical science.

Item agreed to.

National health branch—
216. Distribution of drugs under regulations approved by the governor in council, $50,000.

Mr. FLEMING: Was the full amount spent?

Mr. MARTIN: All but $100.

Item agreed to.

National health branch—
217. Health insurance studies, $27,863.

Mr. NICHOLSON: Will the minister make a statement with respect to this item?

Mr. MARTIN: As a result of the action taken in 1941 this matter was given some measure of positive form in the proposals made by the government to the provinces in August 1945. Since that time we have had a director of health services who has just resigned from his post to take up another important task. At the present time the work is being carried on by a number of individuals in our own department who I believe are specially qualified to deal with the matter. They have other functions as well. As a matter of fact only this morning I was hoping to be able to conclude certain arrangements with another department of government to enlist the services of a gentleman who I believe, because of his studies and his own experience, can be said to be exceptionally qualified in the field of health insurance. I am hoping he will be able to come to us to carry on and to supplement some of the work done by Doctor Little, by our own deputy minister and by several research assistants. I hope that within a week or so, in the person of Doctor H. M. Cassidy of the university of Toronto, we shall have the temporary services—I trust they will prove more than temporary—of one of the outstanding persons in this field in Canada. Arrangements have not yet been completed, but we are anxious to have his services to pass upon certain projects which I believe will prove important in the field of health insurance.

I assure the hon. member that this matter is being actively pursued. Apart from cancer and what we hope to do in respect of arthritis, this matter is receiving priority of interest so far as I am concerned.

Mr. NICHOLSON: I consider that a most unsatisfactory statement from the minister. Last year there was an appropriation of $43,555, and this year in the estimates there is a reduction of about $15,000. The sort of project the minister has outlined is not worth even the $27,863 mentioned in the item.

I hold in my hand the report of the advisory committee on health insurance appointed by order in council in 1942. I shall not take the time of the committee to read it, but it does provide some valuable material. The taxpayers of Canada have been at considerable expense in carrying out these surveys. The hopes of our people were raised when the representatives of so many different organizations were brought to Ottawa to give their opinions on the compilation of this information. Included in these were the Canadian Medical Association, the Canadian Nurses Association, the Canadian Hospital Council, the Canadian Dental Association, the Canadian Pharmaceutical Association, and a whole list of other associations I shall not mention. They went to considerable expense to express their views, and I believe the taxpayers of Canada are entitled to know what happened to their ideas. What precisely has the department done this year? Who are devoting full time to this work? What has been done or what may we expect to be done with the $27,863 in the vote? What have we to show for what has been done? The minister should give the committee more information than he has given thus far.

Mr. MARTIN: I regret that the hon. member thinks our active interest in pursuing these studies is not adequate. I do not know what more one can do than constantly engage one's attention on the problem. Instead of confining it as it originally was to one person, the work has been distributed to a number of people in the department who I believe are specially competent. If the hon. gentleman wishes confirmation of that I would ask him to talk to Doctor Mott in Saskatchewan to ascertain if we in the department are not meeting this problem in a whole-hearted and embracing way. The decreases to which the hon. member has referred are in the educational and informational publicity item and other pay list items. That has nothing to do with the importance of the work. I venture to suggest that in the person of the present deputy of welfare we have a gentleman who has had tremendous experience with the only health insurance act ever passed by any government in this country. I have every reason to rely upon his judgment and skill in the matter. As I said a moment ago, I am hoping to have additional services on a temporary basis, because he is now permanently engaged, in the person of Doctor H. M. Cassidy. He was deputy minister in the

appropriate department in British Columbia when the health insurance act was passed in that province some years ago.

Mr. NICHOLSON: I am not criticizing any of the personnel. I am simply saying that this sort of report is not good enough. I have the greatest confidence in the deputy minister of the welfare branch, as well as of the health branch and other personnel. However, I submit that if we are spending $27,000 there should be some persons devoting their full time to the work. If the expenditures are being reduced at the rate of $15,000 a year it would indicate that the federal government is going out of the field of health insurance studies. The minister should tell us how many in this department have been working on this, how much was spent last year, and who are the persons employed on a full time basis.

Mr. MARTIN: There are ten in the department working on it.

Mr. NICHOLSON: I think we are entitled to a break-down. How much was spent of the $43,000 which was voted last year? Who were the persons who were engaged on this work, and what were their duties?

Mr. MARTIN: The hon. member will recall that the department had only recently come into being at the time the estimate was prepared, and for the available personnel outside the department it was an overestimate. I can only repeat that we are engaging the full time of at least six persons in the department, with four additional persons who have other duties to perform. When we have the type of conference with the provinces which we envisage we shall be prepared at that conference to submit details in respect to the studies we have been making and are making and to bring about at the earliest possible moment the realization of a health insurance scheme.

Mr. NICHOLSON: Last year the minister's predecessor was open to a great deal of criticism for asking for votes which in the opinion of some hon. members had no relation to the amounts which were to be expended. I have asked the minister a fair question: How much of the $43,000 which was voted for this purpose last year was spent, and how was it spent?

Mr. MARTIN: There was spent $4,763.44.

Mr. NICHOLSON: I should like the minister to explain why, if they estimated they were going to need $43,000 and spent only $4,700, they are now coming to parliament and asking for $27,000?

Mr. MARTIN: The division was created in December 1945, and the estimate was made in November 1945.

Mr. NICHOLSON: If you estimated in November 1945 you were going to spend $43,000, why was only $4,700 spent? How many are on the staff now, and what are the prospects of expending the $27,000 the minister is asking for?

Mr. MARTIN: I can only say that we have ten people now on the staff who are engaged in this work. Some of those people are doing other work as well. To the extent of the available personnel covered by non-filled posts at the moment we will spend this money. My hon. friend, considering the province from which he comes, should be in a special position to know that personnel in this particular field is extremely difficult to obtain. That has been experienced by the government of Saskatchewan, and we have had the same difficulty. The director left for another post, and an acting director was appointed in January. That gentleman has taken on a post which he regards as more important at the moment, that of acting secretary of the National Cancer Institute. But that in no way represents a diminution of the work, because, as I have indicated, the officials in our department, in our research division, the deputy minister and another gentleman whom we hope to have from another department, along with the services of Doctor Cassidy, will all be available.

Mr. NICHOLSON: I do not think the minister is giving the committee the sort of information it should have. The fact that there have been directors who have left for more important work indicates that this branch is not doing anything. In view of the general interest across the country and the representations which were made to the social security committee, I think it can be taken that the taxpayers in Canada consider this department quite seriously. They felt that they are going to get some active leadership in working out plans. I know there is no sure way from where you are to where you want to go, but the federal government should be giving some dynamic leadership across the country and trying to work out ways and means. The minister should tell us who in the department are devoting full time to this work. What are the names and qualifications of those who are directing this important branch?

Mr. MacNICOL: Before the minister answers perhaps I had better say a word or two about this, because I am not going along with

my hon. friend to my left in this regard. I have long been interested in health insurance, and anyone who has to do—

Mr. NICHOLSON: Perhaps the minister could be given a chance to answer my question.

Mr. MacNICOL: He will answer when I get through.

Mr. MARTIN: We have the following persons: C. D. Allen, Miss B. J. Stewart,—

Mr. NICHOLSON: Will the minister give their qualifications?

Mr. MARTIN: These are junior assistants who have qualified through civil service examinations. I can only assume that when they passed the tests set by the civil service commission they were fully qualified to do this work. Then there are J. W. Telfer, Doctor J. H. Horowicz, Mrs. F. E. Hurst, whom I think the hon. gentleman knows, and Miss B. A. Patchet.

Mr. NICHOLSON: The minister is asking for $27,000. How many of those people are medical doctors? What is their background in the field of health insurance?

Mr. MARTIN: None of those I have named is a medical doctor.

Mr. NICHOLSON: What is their background?

Mr. MARTIN: They are people who have had training like my hon. friend; they have had training at the university; they are economists, sociologists, and people of that type. Together with the medical experience in the department they make up a fine team with which to approach this subject.

Mr. NICHOLSON: I am not casting any reflection upon any of those people, but the minister is asking for $27,000 to carry on health insurance studies and I submit that there should be at least one medical doctor. There should also be a graduate in dentistry and someone representing the nursing profession. There should be some one experienced in hospital services. The minister should indicate whether there are such persons on the staff. Are there any dentists?

Mr. MARTIN: Yes.

Mr. NICHOLSON: Will the minister give the name of the dentist?

Mr. MARTIN: We use the acting director of our dental division. We use the deputy minister, who is a doctor. Then we have Doctor Little, an eminent physician who has taken up cancer research work.

Mr. NICHOLSON: The minister is not suggesting that the deputy minister is doing nothing else but look after health insurance studies? I am submitting that if $27,000 is to be spent, there should be a full time job for some persons. It is not good enough to say that there are medical people on the staff, that there are dentists on the staff, or that you can call upon the national research council. Here is an important job to be done and there should be persons employed full time with the qualifications I have mentioned. Are there any full-time professional people in this field?

Mr. MARTIN: I do not think I can add anything to what I have already told my hon. friend.

Mr. MacNICOL: I am not going to criticize the minister for not having a large staff in this branch of his department. Several of the provinces have departments of their own, and what kind of top-heavy set-up shall we have across Canada if the provinces and the dominion go into this field? I studied this matter when I was in Great Britain. Their labour department looks after health insurance for 45,000,000 people, with no larger staff than the minister has. This idea of duplicating the work done in every province could only result in a top-heavy organization which the country cannot stand. The minister has already told the committee that his chief officials can take care of what is to be done in this small branch, and I commend him for that. If he is going to staff a health insurance branch for all of Canada we might as well wind up, because we cannot stand such duplication all over the country. Britain has only a small department looking after health insurance for a population five times as large as ours, and it is carrying on the work satisfactorily.

Mr. CASE: I think this matter should be pursued further. Last year $43,555 was voted and only $4,700 was spent. This year the minister is asking for $27,863. This branch seems to be treated as an orphan. Last year there was a director of health insurance studies at $6,600. This year no provision is made for a director, but temporary assistance is being provided for, and it would seem that a director would be required to direct the course of studies of his assistants. Practically the same amount is provided for temporary assistance this year as last. There was also an item of $6,000 last year for professional and special services. Nothing is provided for that this year. There may be some reason why that is not required. I do not think the minister has justified his request for $27,000 this year when only $4,700 was spent last year. The minister talks about ten employees. Mention of their names conveys nothing to me. I should like to

know what work they are doing. It would mean something if I were told that they were engaged in medical or dental or actuarial services. A break-down of that kind would be helpful.

Mr. NICHOLSON: Is the minister not going to accede to that request?

Mr. MARTIN: The hon. member for Grey North has made a helpful suggestion which I appreciate.

Mr. NICHOLSON: The minister is not as cooperative today as he usually is. Why is not a salary provided this year for a director of health insurance studies?

Mr. MARTIN: I have told the hon. member that we are providing for temporary assistance. It is usual for people who enter the civil service to come in as temporaries.

Mr. NICHOLSON: Last year the department asked for $3,500 for educational and informational publicity. Nothing is being asked for that this year. Has the department no more ideas or information to give out? Why does it not need somebody for educational and informational publicity?

Mr. MARTIN: Because there are some things you do not need to publicize always. I would rather spend the money in some other way at this stage of the game.

Mr. NICHOLSON: If the minister does not wish to go into the field of health insurance studies the whole item should be dropped. It is not fair to come to parliament and ask for $43,000 last year and spend only $4,700 and then ask this year for $27,000. The minister should be frank and say that he does not plan on doing anything further in the field of health insurance studies, and drop the item. That would meet the requests of my hon. friends to my right who are demanding a reduction in expenditures.

Mr. MARTIN: If the hon. gentleman keeps repeating things for his own political interests I cannot help that, but I shall be glad to take note of what he said if he wishes to help prosecute health insurance studies.

Item agreed to.

National health branch—
218. Dental health, $50,551.

Mr. FLEMING: What is the expenditure?

Mr. MARTIN: The estimate for 1946-47 was $56,785 and the expenditure $12,623.52; unliquidated commitments, 1946-47, $14,003.05.

Item agreed to.

National health branch—
219. Hospital designs, $26,537.

Mr. FLEMING: The same question.

Mr. MARTIN: Estimate for 1946-47 was $72,516; expenditure 1946-47, $14,302.41; unliquidated commitments, 1946-47, $1,848.69.

Mr. FLEMING: I think this item calls for a word of explanation. The expenditure last year was very much below the estimate. Is this because the department did not fill the positions that were contemplated when the estimates were being prepared?

Mr. MARTIN: As I told my hon. friend the other night, this is a new department, and there was no previous experience by which to judge needs. Obviously there have been overestimates as well as underestimates. This was an overestimate.

Mr. FLEMING: Is this particular branch now up to contemplated strength?

Mr. MARTIN: I think it is. There was a suggestion last fall that we might take on additional personnel, but I do not think it is necessary.

Mr. TIMMINS: What work is done under this item?

Mr. MARTIN: The division will advise the provinces in respect to planning and building various types of hospitals, producing particular solutions when necessary. It will prepare schematic plans for various hospital sizes and types and collect and tabulate and make available to the provinces the latest information on hospital construction. The division will also continue to make preliminary drawings for Indian hospitals and to act in liaison with other architects towards the completion of such efforts. Contact is maintained with provincial health departments and various hospital associations, and meetings are attended for the purpose of offering and receiving suggestions and ascertaining the latest developments in the field. No fewer than five provinces have expressed commendation for the assistance which the architect of this division has rendered both to provincial and to municipal hospitals.

Mr. CHARLTON: What is the nature of the temporary assistance required when there is only one permanent employee, a grade 3 stenographer? Yet $15,000 is being asked for temporary assistance. We have also professional and special services, $2,000, below that.

Mr. MARTIN: There is a grade 3 stenographer who is permanent, and who was transferred from another department. The

temporaries are made up of a consulting architect, a junior architect, an architectural draughtsman, stenographers grade 3 and grade 2; a clerk grade 2; a medical officer who serves part time, and a typist grade 2.

Mr. TIMMINS: The estimate for 1947-48 is down as compared with 1946-47. What is the explanation of the decrease, and what responsibility is there on the dominion to go into this field? Is the department forced into the field, or is this part of an over-all plan which is contemplated by the government? I take it the matter of health should come under the jurisdiction of the provinces.

Mr. MARTIN: My hon. friend is quite right. Health is a matter for the province, but as I explained the other night, under section 5, subsection (i) of the National Health and Welfare Act, the department, on the invitation of the provincial governments, acts as a cooperating and coordinating body. The request for this division came from nine provinces at one of the meetings of the dominion council of health, which meets twice a year.

Mr. NICHOLSON: Can the minister explain why professional and special services have been reduced from $20,000 to $2,000, and can he tell us the number of professionals who are with that branch?

Mr. MARTIN: As I told the member for Eglinton, the original estimate was a guess. It was a new division, and they estimated beyond what they have found since to be the requirements. The sum of $2,000 is required for consultation services and special reports. The decrease is due to more accurate knowledge of costs of operating the division after functioning for eight months.

Mr. TIMMINS: I should like to refer for a moment to a matter I mentioned a few nights ago in a speech I made then. In the United States, as I think the minister is aware, they have already appropriated in congress a large sum of money for an over-all plan in the future with respect to health insurance. Have we any such plan as that under way?

Mr. MARTIN: We are not on that item now; we have passed health insurance. However, the hon. member may be able to raise it later. This item is with regard to hospital designs.

Mr. TIMMINS: I understood that the money in the United States was spent to provide hospital beds, and I was wondering whether this particular item contemplates a plan of that sort.

Mr. MARTIN: It is purely architectural.

Item agreed to.

National health branch—
220. Mental health, $40,096.

Mr. CASE: What responsibility has the federal Department of National Health and Welfare with regard to mental institutions in Canada?

Mr. MARTIN: We have no responsibility. That is a matter that comes under the provinces, and I must say that in spite of the overtaxed capacity of these institutions in the provinces they are doing, in my opinion, a very good work. The problem is a serious one, but it is one that comes under their authority and one to which, within our constitutional limitations, we are always prepared, by way of supplementary assistance in some form or other, to give help. I repeat, however, that the matter is one within provincial jurisdiction.

Mr. STEPHENSON: With regard to hospital designs, is not this a case where the dominion and the province are overlapping?

The DEPUTY CHAIRMAN: We have passed that item.

Mr. MARTIN: I will note the question and when I reach the end of the estimates I will deal with it together with a number of loose ends that I shall pick up then.

Mr. FLEMING: What is the expenditure under item 220?

Mr. MARTIN: The estimate for 1946-47 is $32,285, the expenditure $19,180.38 and the unliquidated commitments $155.48.

Mr. BROOKS: In view of the fact that some of the provinces are having great difficulty in looking after their mental institutions, and the federal government gives some help, has the department ever considered giving more practical assistance to the provinces? In my own province of New Brunswick the situation is bad, and I am satisfied that if the federal government were aware of the conditions and gave some assistance the situation would be improved. Has any consideration been given to that question?

Mr. MARTIN: In the dominion-provincial proposals there is a proposed grant of $4 million.

Mr. BROOKS: Thank you.

Mr. HARKNESS: I have been disturbed by different articles I have read in the last

two or three years in regard to the increasing number of mental cases in Canada, the large number of hospital beds they occupy, and the inadequate facilities provided for treatment and cure. Can the minister indicate what is being done under this particular vote to the end of bringing about improvement in the conditions which the hon. member for Grey North has pointed out as having formed the subject of articles disparaging to our mental institutions in the eyes of many people throughout the world? Can the minister indicate how this money is being spent to correct the condition complained of?

Mr. MARTIN: This matter is one that comes under the jurisdiction of the provinces. It is one which they jealously guard as being within their own field. We did, however, in 1945 set up this division for the first time, at their request, as a sort of pooling agency to keep the provinces informed of what each was doing and to carry on general inspection work. The mental health field includes preventive work as well as provision for treatment facilities. The matter, of course, is a function of the provinces. The federal division cooperates with them in their efforts to benefit the mental hospital patients by surveying hospitals and setting up standards. We have produced a number of films at the request of the provinces, the cost of which we have borne. For instance, one film deals with the treatment of persons who have been in such institutions, the suggestion being that we should not frown upon such individuals but should try to help them. One film aims at increasing appreciation on the part of the public of the need of early treatment of mental illnesses, while another has reference to mild nervous and mental illness and the instructions of personnel engaged in the treatment of the mentally ill. There is another which deals with the treatment of children. As my hon. friend knows, there are many children in this country, as there are elsewhere, who are incipient patients. We try by educational methods, through films, lectures and the like, at the request of the provinces, to bring home to the people throughout Canada the dangers and ways and means of perhaps avoiding serious mental illnesses. That is the kind of work we are carrying on, and while the division has been in existence only since 1945, a truly remarkable job has been done, to use the words of Doctor Phair, deputy minister of health for Ontario. I look forward, as I am sure the hon. gentleman does, to greatly increased activity in this field, without any interference with the field occupied by the provinces.

Mr. FLEMING: Taking up the phrase just used by the minister, what is the expansion of work contemplated in this department this year? You are asking for an appropriation of $40,000. The amount expended last year was just $19,000. What is the expanded welfare programme which justifies this request for an amount more than double last year's actual expenditures?

Mr. MARTIN: The plans for the next fiscal year are to publish jointly with the division of maternal and child health, and other divisions, some of the following booklets:

1. The Care and Training of the Normal Child from Two to Six Years of Age.
2. The School-Age Child.
3. Helping the Adolescent.
4. The Child in the Classroom.
5. The Home Training of the Mentally Retarded Child.
6. The Home care of the Epileptic.
7. Psychosomatic and Psychoneurotic Illnesses.

We hope to carry on those projects and to complete, with the cooperation of the Dominion Bureau of Statistics, the revision of the reporting cards and forms used by the mental institutions in reporting to the dominion bureau. It is hoped that forms and cards can be produced which will be uniform across the country and which will at the same time meet the requirements of the provinces for their own statistical purposes.

Mr. BROOKS: Many of these pamphlets are published; how are they distributed to the people?

Mr. MARTIN: We issue them to the provincial departments of health, and they distribute them to the schools and factories.

Mr. BROOKS: They are distributed in bulk to the provinces?

Mr. MARTIN: Yes.

Mr. FLEMING: I wish to ask two questions arising out of the minister's statement. Were those films requested by one or other of the provinces? The minister was speaking about cards which were of assistance in following statistical information. What is contained in those cards? Is the dominion attempting to go beyond the keeping of general statistics, or is some attempt being made to keep a complete card index system of cases? How far does this statistical research go?

Mr. MARTIN: Both requests come from the provinces. We undertake nothing without their invitation. The films were suggested by

them. They also suggested that as an aid to procuring an accurate over-all picture there should be a central bureau to which all provinces would direct information of the benefit to all.

Mr. McKAY: While I quite agree with the minister that provincial mental institutions have been and are now being operated by the provincial governments, he knows, and I think the whole house knows, that practically all provincial governments are having considerable difficulty in operating modern mental institutions with proper facilities with the funds which are available for that sort of service. It seems to me most appropriate at this time that we should bring to the attention of the minister and of the government the great need of a comprehensive preventive and treatment programme for mental disease. I for one do not pose as an expert or an authority on this subject. I wish the minister to know that before I start. Nevertheless I should like to say a few words with regard to the difficulties which the provinces are now having in conducting mental institutions in a satisfactory manner.

I think it is generally recognized that mental disorders, wherein personality and behaviour may be profoundly affected are responsible for more chronic invalidism than any other disability. I believe the public is becoming increasingly aware of this problem. It has been repeatedly stated by those who know the subject well that mental derangements are not diminishing but are on the increase. As an indication of the extent and trend of the mental hygiene problem, according to a report from the bureau of statistics, patients in Canadian mental institutions increased from 25,000 in 1931 to 50,000 in 1946. A good deal of this increase is undoubtedly due to mental illness which comes about by old age and which has shown a considerable increase in the past decade or so because our population is getting older. The capacity of our mental institutions is inadequate to meet the needs of this increasing trend. The normal bed capacity at December 31, 1944, was 42,500 in the Dominion of Canada, according to the "Canada Year Book." During that same year there were 51,776 patients in mental hospitals or out on parole. Many on parole, of course, were less serious cases; but they were only on parole, I am informed, because they could not be accommodated in the institutions which we have. This indicates a serious overcrowded condition. Our mental institutions are inadequate for our needs. Most of them are understaffed and all too few of them are modern in either their construction or the equipment they operate. Mr. D. M. LeBourdais, who was referred to in the house the other day—he is, I believe, a lecturer and author of some note; at any rate, he served for some six years on the national committee for mental hygiene—has stated in no uncertain terms that Canada is failing in its duty toward the folk who are unfortunate enough to be inmates of our mental institutions. I believe this man speaks with some authority, Mr. Chairman, because he has inspected every Canadian institution devoted to the treatment of mental disease or mental ailments, as well as many in the United States. He states that most of our provincial mental institutions are obsolete.

Mr. MARTIN: I do not want to interfere with the hon. gentleman, but I think he will agree that this matter is one which comes under the provinces. He will appreciate the problem. I do not want to curtail his remarks, but I really think we should preserve some order.

Mr. McKAY: I am coming to that. There is a point I wish to raise with regard to it and I think what I am saying is essential at this time. Without this preliminary statement it is quite impossible to get the connection. I think it is necessary to ask the federal government for grants in aid for these institutions; and I think this is the time it should be done.

Mr. MARTIN: The hon. member for Royal asked me the same question. The answer I gave him may not satisfy my hon. friend, but it is the only answer I can give.

Mr. McKAY: Then is it your intention, Mr. Chairman, to stop this debate?

The DEPUTY CHAIRMAN: I would remind the hon. member that speeches in committee must be strictly relevant to the item under discussion. This item has nothing to do with provincial control of mental hospitals, which, as the minister has pointed out, is a provincial matter, to be dealt with by the provinces.

Mr. IRVINE: If federal policies drive people crazy the provinces should have some assistance in looking after them.

The DEPUTY CHAIRMAN: That may be, but we have to deal with these items as they affect this parliament.

Mr. McKAY: This item deals with mental hygiene.

The DEPUTY CHAIRMAN: Mental health.

Mr. McKAY: Well, mental health, mental hygiene; I don't think it makes very much difference.

The DEPUTY CHAIRMAN: If the hon. gentleman is permitted to make a long speech—

Mr. McKAY: This is not a long speech.

The DEPUTY CHAIRMAN: —in connection with what is purely a provincial matter, then every other member of the committee should be allowed to do the same thing, and I do not believe my hon. friend would consider that to be in order.

Mr. McKAY: It is quite all right with me, Mr. Chairman. I have not a very long speech; it is a very short one, as a matter of fact, but if the minister desires that I should wait and speak on item 234 I can speak at much greater length then.

Mr. CASE: Have any of the provinces appealed to the federal government for assistance in connection with mental institutions, or has the dominion offered assistance to any of the provinces?

Mr. MARTIN: The answer to the first question is no; the answer to the second question is that we offered it in the dominion-provincial proposals.

Item agreed to.

221. Blindness control, $28,307.

(Translation):

Mr. HEON: Would the minister give us some particulars about the work done by his department as regards blindness control?

Mr. MARTIN: In reply, I must say to the honourable member that it is my intention to make a statement later about this item and in connection with several of its subdivisions. Will the honourable member wait until that time for these explanations?

Mr. HEON: Very well.

(Text):

Mr. FLEMING: Could we have the expenditures last year?

Mr. MARTIN: The estimated expenditure for 1946-47 was $42,566. The expenditure for 1946-47 was $10,393.62, and unliquidated commitments, $21,536.

Mr. MacNICOL: May I ask what is the connection, if any, between the officials of the minister's department and those connected with the Canadian National Institute for the Blind and other similar organizations?

Mr. MARTIN: Close collaboration is maintained with the Canadian National Institute for the Blind and the two other similar organizations. They are non-governmental, non-profit private agencies, but there is close cooperation and a very happy relationship. I am sure the hon. gentleman knows Colonel Eddie Baker very well, and he gives full collaboration.

Item agreed to.

National health branch—

222. Epidemiology, including the former tuberculosis control division, $16,747.

Mr. BLACKMORE: The minister suggested that under this item I might raise the question of the facilities that exist for examination into possible remedies for cancer. If I might broaden the matter slightly I would mention what is also in the minds of a great many hon. members of the house, the fact that certain remedies have been suggested by men who believe they are of real value, who are having considerable difficulty getting them before the public. One case in point, which I think already has been brought to the attention of the minister, is that of Doctor Holder of Windsor, who fervently and ardently believes he has discovered the cause of cancer and various other serious ills and a method of treatment for those maladies which may mean the saving of thousands of lives in this country.

We have another case in point, which I think probably all hon. members have had brought to their attention; that is Doctor Koch's remedy for various ills. In my constituency there are people who believe they have been cured by Doctor Koch's treatment of ills that have successfully resisted every other kind of treatment. I should like to ask the minister whether he has a committee or some other facility whereby ideas which are new can be examined objectively and thoroughly so those who believe in the ideas will have every opportunity to demonstrate, to their own satisfaction, everything in favour of their cause. Has he any facility whereby all the evidence may be recorded and reports submitted which would be entirely objective and unbiased, reports which could come before the public of Canada and the members of this house so we might have a chance of studying these suggestions with some hope of arriving at a sound conclusion? Would the minister tell us something about such facilities, if we have them?

Mr. MARTIN: The hon. gentleman brought this up the other evening, and I asked him to wait for this item. I thank him for

having done so. Mr. Holder of the city of Windsor is well known to me. He is a very estimable gentleman, who has written a text-book as well as several articles on this subject. When I saw him last, which was three or four weeks ago, following certain correspondence, I referred him to the proper agency in Ontario, the commission for investigation of cancer remedies. That commission has investigated a number of proposed treatments for cancer. Since I have been minister two others have come to my attention, and I want to say to the hon. gentleman that I think the proper attitude to take, and this is the attitude I am taking, is that if anyone thinks he has a solution, regardless of what others may think about it is in the absence of an investigation, certainly I should not let any stone remain unturned to give that person an opportunity to have his suggestion investigated. Just to give an example, last week a doctor from a certain town in this province came to see me. I had representations by certain other practitioners in reference to this particular gentleman, representations that could hardly be said to be complimentary to the individual concerned. I was not in a position to pass on the merits of the case, but I did take steps at once to make sure that the commission to investigate cancer remedies was given a chance to do so, and that body is also going to investigate this matter. In other words if a suggestion comes to us we point out that the matter comes under provincial jurisdiction and that the province should have an opportunity first to go into the matter. I assure my hon. friend that no one in this country who has a suggestion to offer will be turned away from my door. I could mention another case. I do not think I had better mention the name of the person, but he is well known in Ontario, and claims to have cured people. I had better not identify him beyond that, because it would not be fair to him. I can say however that he is a gentleman who has been considerably in the public eye. He proposes setting up an institution in this province at his own expense for clinical treatment. I do not know whether he has a cure. I have also seen to it that that gentleman is not being denied the opportunity of a full investigation of his claims. That will be my attitude.

Mr. BLACKMORE: I congratulate the minister upon what he has said. I am positive that many good ideas have been neglected because people in high places have not taken the unbiased view the minister has just expressed. Has the minister taken the precaution to see that reports of investigations are accurately made? I have known cases in which reports have been so garbled as to give an altogether erroneous impression as to what actually took place upon investigation.

Mr. MARTIN: I have designated one official in my department, who after such requests have come in and we have asked the proper agency to look into it, will follow up so as to make sure he is satisfied this has been done. I am satisfied that is being done not only with regard to cancer but in other matters.

May I add that only a short time ago I read in the press that an old classmate of mine, whom I had not seen for a number of years, in collaboration with some other physicians, had developed a pill which he said was a cure for certain types of heart disease. I do not know whether it is or not. However I did know this man. At university I found him sincere and hard working; and if what he had perfected could be the means of giving relief to someone I thought he should be given the opportunity to show its worth. He was complaining that he was not being given a chance to put forward his formula. I wrote to him and went myself to see him in London, just to ascertain whether he had any particular grievance. He told me what the situation was. I got in touch with the minister of health for Ontario and I found he had anticipated anything I was doing in the matter and was giving it his full attention. As it was one which came properly within the provincial field, there was nothing further for me to do except to be satisfied that it was being looked into.

Mr. RINFRET: I cannot resist the invitation given by the minister to offer a suggestion with respect to a matter which would come within his jurisdiction. I am not quite sure whether what I have in mind should come under this item, or might more properly be discussed under the item for grants. It has to do with the control of tuberculosis.

Each year around Christmas time the various tuberculosis associations in Canada issue Christmas seals from the sale of which they are interested in obtaining as much money as possible. I am told the government is interested in having Christmas correspondence, including greeting cards, placed in the mails as early as possible, and that the earlier this is done the greater is the economy effected. I suggest that the minister have a conference with the Postmaster General with a view to setting aside one or two days early in December in which all letters and parcels with Christmas seals as stamps could be passed through the post office. I believe these Christ-

mas seals are the only ones of their kind now distributed or made available to the public. The various tuberculosis societies would immensely increase their stamp sales, and the public in general, by buying these seals at one cent each, would economize by placing them on their Christmas cards and parcels. Then the government would have an interest in getting the mail in as early as possible and an economy would be effected.

In various other countries other means have been found of doing the same thing. For instance, in Cuba everyone is obliged during November and December to place an additional stamp on each letter. I understand that in Switzerland during the Christmas season they sell a stamp for, I believe, one half more than the current stamps. The people may take either the special tuberculosis stamps, or the others which are sold at a lower price, and the amount collected by the government on those stamps is given to the tuberculosis societies.

Mr. MARTIN: I thank the hon. member for what I believe is a constructive suggestion. I shall see to it at once that at the earliest opportunity the hon. member, the Postmaster General and myself have an opportunity to discuss the matter with a view to seeing if the suggestion could be carried out.

Mr. BENTLEY: I was particularly pleased to hear what the minister said in reply to the hon. member for Lethbridge. While his remarks were directed more particularly to tuberculosis, the minister did say that not only in respect of cancer, but also in other respects, he was giving attention to any possible cure which might be advanced for other diseases. That was much more encouraging than the reply I received from his predecessor last year, when I referred to a doctor in Chicago who claimed he had some special knowledge about arthritis. The minister will understand I am not attempting to speak as an expert, but I am simply offering him some of the information I have gained from correspondence. I have learned that there is a Doctor Golden in Chicago who has made a study of arthritis—and perhaps the minister has checked on this. I should like to hope that he has, or that he will do so.

I would bring to the minister's attention another matter which in medical and other circles is highly controversial. I refer to practice by chiropractors. I know that any mention of a chiropractor to a qualified medical practitioner will make him laugh. I am not an expert in these matters; I go to either of them as infrequently as possible, and hope I shall not have to go any more frequently in the future than I have in the past. I do know however that many people believe they get relief and even cures from the operations of chiropractors. This belief is too widespread among lay citizens for me to brush it aside, and to say that because the medical doctors say the chiropractors are no good, therefore they must be no good. Has the minister's department given attention to this matter, and has the minister any information which he could give the committee? Does the department purpose carrying out any investigation with a view to letting the public know what its opinion is about this type of practitioner?

Mr. MARTIN: The hon. member will know, of course, that the matter of chiropractors comes within the control of the provinces. I would not want to interfere in that field.

As the hon. member may recall, I said the other evening when the name of Doctor Golden was mentioned that after the consultations Dr. Moore of this department has had with Lord Horder, the great rheumatics expert of Great Britain, in collaboration with Doctor Wallace Graham of Toronto we have decided to call a conference within a short time of the arthritic and rheumatic experts in the country to see if we cannot go into this whole problem. The proposal of Doctor Golden in regard to arthritis treatment is a matter which will not be overlooked at that time. When the hon. member drew a comparison between myself and my predecessor I am sure he did not mean what he said, because every day I am finding proof in the department of the devoted service in the field of health and welfare rendered by my predecessor, the Minister of National Defence.

Mr. BENTLEY: I meant no reflection upon the minister. I simply wanted to point out that when I asked if any consideration was being given to Doctor Golden's suggestion the answer was an abrupt "no" which was extremely unsatisfactory. With regard to chiropractors, I appreciate the minister's statement that the issuing of licences granting the right to practise is entirely in the hands of the provincial governments, but I was wondering if the department was considering issuing advisory statements—not that they should or should not be but simply to give some idea of whether their work is really worth while. You would not be imposing a federal order upon the provincial governments; it would simply be a statement.

Mr. MARTIN: I would want to consider that. I think the hon. gentleman understands the implications of his question.

Mr. BENTLEY: The minister will consider it?

Mr. TIMMINS: As far as I can see there is nothing in this particular item for research work. Is it intended to cover that field? I have before me a clipping dated May 15 last which reads:

A partly synthetic liquid named Tween, termed a new avenue of approach to tuberculosis and possible immunity, was described to the society of American bacteriologists yesterday by Doctor Rene J. Dubose of the Rockefeller Institute, New York.

Is this branch purely administrative or does it carry on any research into new methods and techniques?

Mr. MARTIN: This proposed epidemiology division will investigate the control of all types of communicable disease. The hon. gentleman will realize that the name epidemiology division has been made generic; formerly it was called the division of tuberculosis control.

Mr. TIMMINS: It has been extended?

Mr. MARTIN: The Rockefeller foundation has done a tremendous work in this field and Doctor Milam, of the foundation, examined at the expense of the Rockefeller foundation our arrangements in Canada with respect to epidemiology.

His report recommended the establishment of a division of epidemiology which would include in its scope the former division of tuberculosis control.

Mr. TIMMINS: How does the department deal with a new technique or new method in the medical field? Does the department disseminate that to the provinces and to the medical health officers throughout Canada?

Mr. MARTIN: The main way would be by collaboration with the provinces in setting up studies.

Mr. FLEMING: I asked the minister for the expenditures last year.

Mr. MARTIN: The vote last year was $32,051; the expenditures were $2,880.57, with unliquidated commitments of $450.

Mr. TIMMINS: The minister suggested that this branch has been extended. Is that something which has happened only within the last couple of months?

Mr. MARTIN: It is just being set up now.

Mr. CHARLTON: I noticed a civil service advertisement for an epidemiologist at a salary of $6,000; would that be included in this item?

Mr. MARTIN: Yes.

[Mr. Martin.]

Mr. CHARLTON: There cannot be many other people working in the branch.

Mr. MARTIN: It is just a new division. The proposal is to have a chief, epidemiology division; a stenographer, grade 3, and a medical officer, part time. We shall have to see what the developments are.

Item agreed to.

National health branch—

223. Advertising and labels control, $21,780.

Mr. FLEMING: May I have the same information?

Mr. MARTIN: Estimates 1946-47, $70,463; expended, $5,932; unliquidated commitments, $646.05.

Mr. FLEMING: I think we should have some statement on this item. A total of $70,000 was voted, and even including the unliquidated commitments only $6,500 was spent. This year the department is asking for $22,000. Is there to be some extension of the functions of this branch?

Mr. MARTIN: When the estimates for 1946-47 were prepared it was the intention to have the proprietary or patent medicines division, as well as certain other functions of the food and drugs division, absorbed into the newly created advertising and labels control division. However, in working out the organization that was found to be impracticable. In other words, our hindsight was better than our foresight. The better plan seemed to be to keep the three divisions as separate units, to be correlated under one officer, the chief dominion analyst, Doctor Morrell. In order to render proper service in the food and drugs division it was found that it would not be possible to release the personnel originally intended for transfer to the advertising and labels division. Consequently it will be necessary to engage additional employees to complete the establishment of the new division, and that has been provided for in the estimates.

Item agreed to.

National health branch—

224. Grants to institutions assisting sailors, in the amounts detailed in the estimates, $2,400.

Mr. FLEMING: Was the money all disbursed last year?

Mr. MARTIN: Yes.

Item agreed to.

National health branch—

225. Medical services—Indians and Eskimos, $4,638,808.

Mr. CASE: What medical services are provided for the Indians and Eskimos, and do they include dental services?

Mr. MARTIN: Yes.

Mr. CASE: What other services are provided?

Mr. MARTIN: The hon. member has been a distinguished member of the Indian affairs committee under the chairmanship of my colleague, the hon. member for Essex West. I have been following the work of that committee, and I think the committee will understand me when I say that I am proud of my colleague, the hon. member for Essex West, for the work he has done as chairman of that committee. The Indian health services became a division of the Department of National Health and Welfare in November, 1945. Prior to that the services were under the Department of Mines and Resources. The aim of the Indian health services division is to provide and complete a health service to all Indians and Eskimos who are wards of the dominion government. For this purpose hospital, nursing and ancillary services have been organized. The division's facilities are not only devoted to providing general medical and surgical services, but special attention is being directed to the treatment of tuberculosis and venereal diseases. I need not tell the committee that the tubercular mortality rate among Indians is higher than one would like to see it. When one considers the projects that have been under way since 1938 one realizes that the great improvement in attacking this problem has by no means been a complete improvement. I myself plan this summer to visit as many of the stations as I possibly can—not that my presence will do much, but I wish to form an impression in relation to some important decisions which are suggested by the officers of my department. We have under way several projects for hospitals a swell as other projects actually in progress looking to improvement of methods by which we can deal with the health of the Indians. The hon. gentleman from his experience on the Indian affairs committee will undoubtedly be able to confirm my view that because of the dispersal of the Indians and Eskimos often in inaccessible areas the service in some regions is far from perfect. I am not saying that in criticism of my officers, because I do not think I could have under me any more devoted officers, and certainly no more devoted director than the present incumbent. But the Indian is nomadic. He does not always live in well settled areas. The situation cannot be materially improved until modern transportation facilities are integrated into the health service, and we are giving consideration to means of providing under our own control a better air transport service to deal with the transfer of Indian patients to centres where they can get medical attention, and also for the purpose of moving our own men.

In addition to the construction of hospital units and the conversion of hospitals such as the one at Qu'Appelle, we have in some instances given a grant for example, to the sanatorium at Fort William, to undertake the special treatment of Indians. We have no constitutional way of giving such assistance to hospitals in various municipalities and provinces, but as the Indian is our ward, sometimes rather than build a hospital we do give financial assistance to institutions such as I have mentioned where the Indians are treated. Likewise we have arrangements with smaller institutions throughout all parts of Canada to render medical assistance. I assure the committee that we are accelerating our effort in a field in which we have full jurisdiction.

Mr. McIVOR: Mr. Chairman, on behalf of the board of our sanatorium in Fort William, where we have a hospital that deals not only with Fort William but with all western Ontario, I want to say that when two members of the board came down here they were treated not only courteously but generously, and they went back encouraged in the belief that the department of health of the dominion government was behind them in their work. They had to build a large addition to the hospital, with the assistance of the provincial and federal governments, to provide facilities for the Indians to be treated in the most modern way. On behalf of the board I wish to express my appreciation of the minister's efforts.

Mr. BRYCE: Along with other members of the house I welcome the increased expenditures which the minister is going to make on the Indians. Hon. members who are on the Indian affairs committee have an advantage over other hon. members in that they have been able to get to the bottom of the grievances respecting medical services to the Indians. We had Doctor Moore and other members of the department under cross-examination by the committee for a few days.

The addition of the Indian health services to the Department of National Health and Welfare is something new which is going to be watched very carefully. The Indians in Canada for the last forty or fifty years have been a neglected people, and anybody who has the welfare of the Indian at heart wel-

comes this new approach. But care must be taken that the Indian health services do not become a mere sideline of the new department. I hope that the minister will promise us that this will not happen so long as he is in charge of this department, but that the Indian will get equal treatment with the white man so far as medical services are concerned.

This vote of $4,000,000 looks a large amount; but remember that the Indians have been neglected for forty years, and this is only what is coming to them, to do for them what you would expect Canada to do for the Indians.

Mr. BOWERMAN: What progress has been made in establishing the Indian hospital at North Battleford, and what is the staff there, if it is now operating?

Mr. MARTIN: The Battleford hospital is suitable for about fifty beds. This can be provided in the buildings erected in conjunction with the former R.C.A.F. field at North Battleford. Alterations are required to provide for the isolation of tuberculosis patients and proper accommodation for the staff. There are no suitable quarters for the staff at the hospital, but we have engineers up there who are expeditiously, in the light of material shortages, trying to complete the work.

Mr. BOWERMAN: Will it be ready for winter occupation?

Mr. MARTIN: By September 1, I hope.

Mrs. STRUM: I was delighted to hear the minister say that he was going to visit as many reserves as possible this year. I want to take this opportunity to invite him to Qu'Appelle valley, and will be very happy to act as guide for him. I think it is a reflection on our treatment of the Indians that the death rate from tuberculosis among the Indians is twenty times as high as it is among the white people in our province, which has established a world record in reducing the mortality rate. I think the minister will soon realize that the health of the Indians is bound up with nutrition, housing and employment. Their health is a reflection of the economic position of the family. I can take the minister to one family after another who are sheltering the grandparents, and where members of two and three generations are housed in one room under one roof. I can take him to old people who cannot afford coal oil and who are gnawing crusts because there is no old age pension for the Indians. We must not only talk about the health of the Indians; we must consider how we can help them establish a higher income, how we can help the Indian to rehabilitate himself and his family so that he can have better housing and better nutrition, which will be reflected in the health records of the Indians.

Mr. MARTIN: I agree with what the hon. member has said. I could not ignore her very kind offer of guidance. I may tell her that except in the matter of political guidance I shall be glad to accept her kind offer.

Mrs. STRUM: I shall be glad to help the minister there too.

Mr. CASE: I am sure the hon. lady's observations will be noted by many of us, but I can assure her also that the problem is a difficult one, to help those who apparently cannot help themselves. I notice in the 1946-47 estimates there are sixty-one on the staff and the number has been reduced by eight; yet the amount of money involved has been increased. How does the minister reconcile these figures?

Mr. MARTIN: That represents a consolidation of the cost of living bonus and salaries.

Mr. CASE: With the lesser staff?

Mr. MARTIN: Yes.

Mr. CASE: The staff is down by eight.

Mr. MARTIN: Yes.

Mr. HARKNESS: I understand that in the Indian affairs committee it was brought out that there are now forty-three full-time medical officers in this particular branch, but I see here only fifteen or sixteen provided for.

Mr. MARTIN: The rest are temporaries.

Mr. HARKNESS: Does the minister mean that they have not been taken on the regular staff of civil servants but are full-time civil service employees?

Mr. MARTIN: Not all, but a good number.

Mr. HARKNESS: I understand there are some forty odd full-time employees and not fifteen as shown here. What is the exact number?

Mr. MARTIN: There are twenty-six temporaries.

Mr. HARKNESS: Are these men on probation, and will they become permanent civil servants after a year?

Mr. MARTIN: After the customary year or as they will be taken on by the civil service, assuming that they give satisfactory service.

Mr. HARKNESS: The biggest item here is for temporary assistance in professional

and special services, the amount being over $1,000,000, almost twice what it was last year. What is the explanation?

Mr. MARTIN: Providing staffs for the new hospitals.

Mr. HARKNESS: Is that entirely taken up by provision of staffs for the new hospitals?

Mr. MARTIN: The amount of $1,176,224 is required to cover salaries for doctors, nurses, technical and clerical assistants and hospital field and administrative staff. The increase is due to the opening of two additional hospitals and the extension of the facilities of existing hospitals, and providing an additional 700 treatment beds. There will be an appreciable increase in the field staff of twenty doctors and twenty-seven nurses, and an increase in administrative staff by four additional regional superintendents and an assistant director, all rendered essential by expansion in the services for which the division is medically responsible.

Mr. HARKNESS: There is an amount of $82,000 for cash allowances. To whom are these allowances paid? What is the purpose of that item?

Mr. MARTIN: It is required to cover payments in the form of cash allowance in lieu of maintenance of hospital attendants and ward aids and housemaids. The turnover of personnel is very great, and the amount paid to different persons varies considerably.

Mr. HARKNESS: I cannot understand why it is under a separate heading of cash allowances instead of being included under the heading of salaries and wages.

Mr. MARTIN: It is an accounting classification which I am not in a position to discuss. It is a treasury board suggestion.

Mr. HARKNESS: The biggest item of all is $2 million in connection with professional and special services. Can the minister give a breakdown or explanation of that?

Mr. MARTIN: The amount of $2 million is required to cover cost of services of doctors, dentists, nurses not on salary, hospitalization and special charges for all treatment carried out by other than departmental institutions. The increase is due to the enhanced health consciousness of the population and the advent of new and expensive drugs such as penicillin, as well as the persistent rise in hospital rates all across the dominion. It is also due to hospital workers having secured shorter hours and higher rates of pay for practically all classes of employees. We have been faced, as the provincial hospitals have been faced, with increased cost of living, cost of food, medical services and materials, and so on, as well as cost of professional services.

Mr. HARKNESS: May I suggest that in the future what is paid in the way of salaries, wages and so forth be brought together under one item or a group of related items? In connection with every item I have inquired about so far the main cost appears to have been for wages or salaries or the like, so that it is almost impossible to get a reasonable picture of the expenditures. I suggest it would be much better if these items were all brought together in one related group.

Mr. MARTIN: I thank the hon. gentleman for the suggestion, and I shall look into it.

Mr. McLURE: On a question of privilege, Mr. Chairman, I would bring to your attention, as well as the attention of the Minister of Public Works, the fact that on this side we are annoyed by a terrible draught. Many of us have to get up and go out. I wonder if something can be done about it. If the Minister of Public Works would sit over here for five or ten minutes he would find that, unless he put his hat on, he would be most uncomfortable.

Mr. MARTIN: I agree that there is something in what the hon. gentleman has said, but he should take it up with the Minister of Public Works, who, I have no doubt, will give the matter consideration. I would, however, remind the hon. and kindly gentleman that we are discussing the item on Indians.

Mr. HARKNESS: What the hon. gentleman said comes aptly under health and welfare.

Mr. McLURE: What I said was a matter of privilege.

The CHAIRMAN: I am sure the statement made by the hon. member for Queens will receive the attention of the Minister of Public Works, who is in the chamber at the moment.

Mr. MacNICOL: The total of employees mentioned on page 174 is 53. We are to pay this year the sum of $116,000. How many of these employees are Indians?

Mr. MARTIN: There are no Indians.

Mr. MacNICOL: I am going to say to the new minister something which I am sure he will take in good part.

Mr. MARTIN: I think I misunderstood the hon. member. We have one Indian on the head office staff. I know what he is going

to say, and I shall accept his remarks in the kindest spirit, the spirit in which he himself always makes his suggestions. I am trying to meet the problem he has in mind.

Mr. MacNICOL: I am glad to hear that. It is what I would have expected from the minister. I am confident that he will make revolutionary changes in this department if it remains under him. The next item is temporary assistance, $1,059,000. There again I presume there are no Indians.

Mr. MARTIN: There are one hundred in that branch.

Mr. MacNICOL: In the United States over one-half of all the employees in the Indian branch, of whom there are many thousands, are Indians. I am not going to comment on the affairs of the Indian committee; that would not be in order here until they report. I do feel, however, that we should emulate what is being done in the United States and give much of the employment in our Indian branch services to Indians, because all of us who have been associated with Indians during the last couple of years know that there are many very bright men and women among them who are rendering excellent service in many activities, including the professions. There is no reason why in the past we should not have had many more Indians in the Indian branch service.

Mr. MARTIN: I fully agree. A short time ago I asked our officials to issue a direction to all Indian agents to employ as many competent Indians as could be obtained. Indians are actually given the preference, provided, of course, that they are qualified.

Mr. MacNICOL: I thank the minister; I will support his programme. As has already been mentioned, the medical branch which was recently under the Department of Mines and Resources has been placed under the Department of National Health and Welfare. I shall not make any comment at the moment on that change. We have been listening to a good deal about it. I believe it was the hon. member for Selkirk who said we are going to watch it. That is right. We are going to watch it.

Mr. MARTIN: Quite rightly.

Mr. MacNICOL: Personally I am in favour of the whole branch being in one department. If the government decides that the whole branch should go into the health department, that is all right; because I can plainly see that if the administration of Indian Affairs is now divided between two departments it is not going to work out perfectly, no matter what any of us may hope. I suggest to the minister that he and his colleagues consider whether the whole department should not go into one department. When the vote comes up again next year those of us who are associated with Indian affairs investigations will then be in a better position to say whether we favour the medical services branch being in the Department of National Health and Welfare or having it go back to the Department of Mines and Resources.

The minister said something about aeroplane service. I am in accord with Indians being flown out from remote areas. It is not an easy problem. I myself have been over all these areas right down to the Arctic, and I have seen many Indian reservations. There are no landing fields anywhere north of 60, outside of Yellowknife and Norman Wells. Those are the only places I know of where wheel planes can come down. The float planes, of course, can come down in the summer time wherever there is water.

Mr. MARTIN: Amphibians are almost necessary, with ski equipment.

Mr. MacNICOL: You cannot use amphibians in the winter.

Mr. MARTIN: Amphibians and skis.

Mr. MacNICOL: That is the problem. It is worth while inquiring what the scope of this will be.

Mr. MARTIN: Yes.

Mr. MacNICOL: If this particular department were to set up an elaborate plane service, it would be a costly affair.

Mr. MARTIN: Very much so. We must be careful.

Mr. MacNICOL: I suggest to the minister that he watch is carefully and get the best advice he can. Like others who have spoken, I am greatly interested in Indian services. I realize that in the past the medical service to the Indians has not been anything like what it should be. There may be reasons for it.

In a number of small places I have been in I have found two hospitals, neither having much to do. In one instance there was one patient in one hospital and one in the other. It may be that all the hospitals should be placed under government control. Surely folks can work together so that costs can be cut down and the Indians will receive the service to which they are entitled. To me it does look questionable to have two good-

sized hospitals in one small place. I have a particular place in mind, but I will not mention it because both hospitals are splendidly operated. They require a good deal of coal for heating and electricity for lighting, and one patient cannot pay the costs. The minister might well consider whether all the hospitalization should not be in government hospitals. I believe there is now a programme with that end in view.

Mr. MARTIN: Every bed in the Aklavik hospital is occupied.

Mr. MacNICOL: I did not mention what hospital it was.

Mr. MARTIN: I know.

Mr. MacNICOL: That may be so, but it would be for only a week or two at most. There is an argument for concentration of hospitals. Surely folks can work together to cut down expenses, thereby making it possible to give better service.

Mr. MATTHEWS (Kootenay East): How much per day is the Indian department paying for the care of Indian patients in small hospitals across the country? I ask this question for the reason that I have had a lengthy correspondence with the secretary of a small hospital in my constituency. He complains that whenever accounts are sent in to the Indian department, they are invariably scaled down, and scaled down far too low. In the case of one Indian who was hospitalized, the hospital charged for sixteen days at $4 a day, a total of $64; operating-room, $5; X-ray, $15; penicillin supply, $5, making a total of $89. This account was scaled down to $48 and a cheque for that amount was sent to the hospital. If I may, I should like to quote from one part of the letter, as follows:

> The board appreciates very much what you have done, but when I announced that $81 on Indians' accounts had been written off as bad debts, and also that it was necessary to borrow $900 at interest from the bank, there were strong protests, and I was instructed to write the enclosed letter to the police.

I have here a copy of the letter which was written. It is addressed to Corporal R. Whittaker, Royal Canadian Mounted Police, Creston, B.C., and reads as follows:

> Dear Sir:
> Please note that as no arrangements have been made by the Department of Indian Affairs for the treatment of Indians; Indians are barred from Creston Valley hospital under any circumstances.

I am sorry to think that an Indian anywhere in Canada should become the victim of any disagreement between the Indian department and a local hospital. I have had several interviews with the director of medical services and wish to express my appreciation of the many courtesies which have been extended to me. But I feel most keenly that in this particular matter an impasse has been reached and the Indians for some reason are being penalized. I hope the minister will look into the matter as soon as possible and see that some solution to it is speedily found. I should like him to state now exactly what he has been paying per day.

Mr. MARTIN: The rates asked by the institutions vary from as low as $2.50 a day to as high as $8. Many institutions accept an inclusive rate for all ordinary hospital services. Others claim extra payment over and above the per diem rate. In all cases the department is endeavouring to establish an all inclusive per diem rate. As the hon. gentleman knows, hospitalization costs have risen rapidly in the last year or so. As I have said, the costs have varied. There are some districts where the cost is terrifically high, because of long hauls to get supplies in, and so on. Factors affecting this rise are the increasing cost of commodities, the adoption of the eight-hour day for nurses, the organization of hospital employees into organizations of their own, resulting in marked salary increases. I have been discussing the matter with a number of officials. Only the other day I had a long talk with Bishop Renison of the James Bay district, who has had tremendous experience there. I have discussed it with others as well, and I can say the whole problem now is under study and adjustment. Any institution asking for an increase in rates is asked to submit a statement of per diem costs for public ward patients, and some explanation as to how these are computed. The regional superintendents are instructed to visit any hospitals asking for increases, to meet the hospital authorities and discuss rates with them, and to report back on the facilities provided for the treatment of Indians. We then attempt to strike what we think is a just and equitable rate. I recall the matter my hon. friend has brought to my attention, and I may assure him it is receiving my very active attention.

Mr. NICHOLSON: How many full-time medical doctors are in the department?

Mr. MARTIN: I answered that.

Mr. NICHOLSON: I am sorry; I was at the telephone. What is the type of service being performed by the part-time physicians? I notice there is one who receives $132 a year, and another who receives $312.

An hon. MEMBER: That was answered.

Mr. NICHOLSON: Then I will read it in *Hansard*. If he has not already done so, will the minister comment on the reduction in the amount for educational and informational publicity from $10,000 to $5,000? In view of the very high death rate from tuberculosis among the Indian population I should think there ought to be an increase in the amount spent on educational and informational work.

Mr. MARTIN: I can only say my officers feel this will be adequate for the work they have in mind.

Mr. FLEMING: What was the expenditures last year?

Mr. MARTIN: The estimate for 1946-47 was $4,403,390. The expenditure was $3,854,-509.97, and unliquidated commitment $128,501.51.

Mr. NICHOLSON: How much of the $10,000 voted last year for educational and informational publicity was spent?

Mr. MARTIN: About $1,500.

Mr. REID: Are any new hospital buildings contemplated? What increase is represented in this appropriation as compared with what was spent for hospitals when they were under the Indian affairs department?

Mr. MARTIN: This year we are actually spending approximately $600,000 more than in any other year. We now have in mind a series of hospital projects to take care of Indian health, which will involve us in an expenditure of approximately $1,500,000. At the moment I cannot say whether that policy will be adopted; the matter is now under consideration. It is a project we believe to be necessary to carry out the great work of this department.

Mr. REID: The minister is referring to new government hospitals?

Mr. MARTIN: That is right.

Mr. NICHOLSON: Will he tell us how many patients are in the hospital at The Pas, Manitoba? I understand a United States army hospital was taken over there.

Mr. MARTIN: Approximately ninety.

Mr. NICHOLSON: How many medical personnel are employed there?

Mr. MARTIN: Two.

Mr. NICHOLSON: And how many nurses?

Mr. MARTIN: I will have to give that information later; it varies.

Mr. MacNICOL: The hon. member to my left said something about the United States army hospital at The Pas. This country donated a large amount toward the construction and upkeep of a hospital at The Pas, but that is not the hospital now referred to, is it?

[Mr. Nicholson.]

Mr. MARTIN: Yes, I believe it is.

Mr. MacNICOL: Well, there must be more than one doctor and two nurses there.

Mr. MARTIN: Two doctors.

Mr. MacNICOL: In The Pas hospital? It is a large building.

Mr. MARTIN: The hon. member was referring to the Clearwater Lake hospital.

Mr. MacNICOL: My hon. friend said The Pas hospital.

Mr. MARTIN: It is near The Pas, at Clearwater Lake.

Mr. MacNICOL: Just how far from The Pas is it?

Mr. MARTIN: I suppose about eighteen miles.

Mr. MacNICOL: That answer confused me, because I am familiar with the hospital at The Pas, and I never heard the other hospital called The Pas hospital.

Mr. HARKNESS: In connection with this item of $600,000 for construction of works and buildings, for some minutes I have been trying to ask the minister to indicate just what the building programme is. He was talking about it to the hon. member for New Westminster, but it seemed to be a private conversation and I could not hear what he said.

Mr. MARTIN: I am sorry; the hon. member asked me a double-barrelled question, first with respect to the projects now under way and second as to the projects contemplated. With regard to the former, sums for the following construction were included in the estimates for 1946-47; three nursing stations, at Gypsumville, Manitoba; Bersimis, Quebec; St. Regis, Quebec; for the expansion of hospitals at Fort Qu'Appelle, Saskatchewan; Clearwater Lake, The Pas, Manitoba; Miller Bay, British Columbia; and Coqualeetza, Sardis, British Columbia; and at Moose Factory, Ontario. It would appear unlikely that more than $100,000 will be expended from the 1946-47 allotment, due to the non-availability of labour and structural materials. I may say that I am hoping to go into that district, if nothing in the house prevents me from doing so—

Mr. FLEMING: Permanently?

Mr. MARTIN: I know the hon. gentleman would prefer that, but I do not think the country would—about July 11 and 12, for the

purpose of seeing it for myself. It is all very well for us to make decisions here, without any knowledge of the terrain, but I propose to see as many of these places as I can. The new projects are: a nursing station at Port Harrison, Quebec; doctors' residences at Port Harrison, Quebec, and at Chesterfield Inlet, Keewatin; alterations to the former R.C.A.F. hospital at North Battleford, Saskatchewan, and the R.C.A.M.C. hospital at Nanaimo.

Mr. BROOKS: I think it is well known that there is no Indian hospital in the maritime provinces, and I understand there has been some agitation to establish a tuberculosis hospital for Indians somewhere in that area. I should like to ask the minister if this is correct, and just where the department are planning to locate the hospital. I ask the question because it has been rumoured that the Department of Veterans Affairs hospital at the town of Sussex is being abandoned by D.V.A. and that the Indian Affairs department is considering establishing a tuberculosis hospital either there or at Truro, Nova Scotia.

Mr. MARTIN: Truro has been mentioned, and we are investigating the hospital at Sussex. I believe my hon. friend comes from Sussex, and I think he wrote me a letter about that a short time ago. The representations he made have been borne in mind, and the investigation he suggested is under way.

Mr. BROOKS: I was not particularly advocating that the Indian hospital be established in Sussex; I was asking if it was the intention to establish one there.

Mr. HARKNESS: In connection with this construction programme I was hoping to hear that something would be included for a doctor's residence at Hobbema and perhaps one at Morley, because I understand they cannot get doctors at either place at the present time because there is no place for a doctor to live. I did not hear the minister mention anything along that line. Is that projected, or is it to be left for another year or so?

Mr. MARTIN: It is under consideration.

Mr. HARKNESS: It is not in the item, so that—

Mr. MARTIN: It is under consideration. It may be in the supplementary estimates; I cannot say at the present time.

Mr. COCKERAM: Is there any intention of providing more hospital facilities for Indians in the northwestern part of Ontario, and especially those up on the Osnaburgh reserve and down the Albany? At the present time the hospital facilities are at Sioux Lookout. The Indians have to go to Manitoba for hospitalization.

Mr. MARTIN: Perhaps the hon. member was detained when I spoke a few moments ago. I did refer to what we are doing at Fort William.

Mr. COCKERAM: That is a long way from there.

Mr. MARTIN: It is in the northern part of Ontario. We are also giving consideration to the matter of a hospital at Sioux Lookout. I think there is great need there, and we have a project which I hope it will be possible to proceed with. I cannot say any more at the present time.

Item agreed to.

National health branch—

226. Grants to hospitals which care for Indians and Eskimos, $219,320.

Mr. CHARLTON: What is the total expenditure on the amount of $204,320 voted last year?

Mr. MARTIN: It is a revote. We spent about $3,000.

Mr. CHARLTON: Even?

Mr. MARTIN: I say it is a revote. The people at Fort William were not able to build their hospital at the time, we are revoting the grant.

Mr. CASE: How many of these are private hospitals; how many are public, and what is the per diem cost on a comparative basis as between private and public hospital.

Mr. MARTIN: To answer that question I would have to compile the information.

Mr. CASE: I can ask the questions separately. How many of these hospitals receiving grants are private hospitals operating under some church or some other organization?

Mr. MARTIN: Three of them are mission hospitals. Fort William is a general sanatorium, and Ashcroft is a general hospital.

Mr. CASE: How many of the hospitals receiving grants are private hospitals, and how many are public?

Mr. MARTIN: I would have to answer that later, because it requires some compilation.

Mr. CASE: And may I have the information as to the per diem cost on a comparative basis as between private and public hospitals?

Mr. MARTIN: I shall be glad to get that.

Mr. CHARLTON: I should like to have a list of the hospitals for which grants are

given and the auspices under which they are operated; whether they are missions, private hospitals or general hospitals. Then I should like to know if any expenditures are made for these hospitals by way of doctors' salaries, nurses' salaries, or anything of that kind. I understand that there are some hospitals receiving grants, and that, in addition, doctors' and nurses' salaries are being paid, and some supplies being bought.

Mr. MARTIN: That question is as detailed as the other one. Perhaps I could answer it partly. With respect to the hospital at Fort Smith—and does the hon. member want the religious denomination?

Mr. CHARLTON: Under what auspices are they operated?

Mr. MARTIN: Is the hon. member referring to the religious denomination?

Mr. CHARLTON: That is part of the question.

Mr. MARTIN: That one is a Roman Catholic hospital. The one at Fort Simpson is Roman Catholic. One at Aklavik is Roman Catholic and the other is Church of England. The Fort William sanatorium is non-denominational as is the one at Ashcroft, British Columbia.

Mr. CHARLTON: What is the amount of the grant?

Mr. MARTIN: At Fort Smith it is $1,080; at Fort Simpson, $1,080, and the two at Aklavik are given $1,080 each. The Fort William sanatorium board is to receive $200,000, and the Ashcroft, British Columbia hospital board, $15,000.

Mr. CHARLTON: Is that the total number of hospitals receiving grants?

Mr. MARTIN: Yes.

Mr. CHARLTON: Is any other expenditure made, in addition to grants for salaries or supplies?

Mr. MARTIN: The grants are for the purpose of paying nurses' salaries in the mission hospitals.

Mr. ARCHIBALD: Under this department does the government take responsibility or partial responsibility for the hospital at the Brunswick cannery on the Pacific coast?

Mr. MARTIN: No.

Mr. FULTON: I should like to clear up something the minister said with regard to the hospital at Ashcroft. As I understand it, this is a revote of an amount authorized last year for a capital expenditure for a wing which will take care of Indian patients.

Mr. MARTIN: No, I was talking about a revote in connection with the Fort William hospital.

Mr. FULTON: But the $15,000 is for a capital grant for a new wing which will take care of Indian patients, is it not? It is not for the payment of ordinary administrative expenses.

Mr. MARTIN: It was voted, but it was never paid because they did not build the wing.

Mr. FULTON: But it was a capital grant; not for ordinary administrative expenses?

Mr. MARTIN: That is right.

Mr. FLEMING: The minister's reply has left me in some doubt. He is not using his voice as much today, with the result that we cannot hear him.

Mr. MARTIN: Sometimes that is a good way to get along.

Mr. FLEMING: I do not know that it is in this instance. The minister has indicated that, of this $204,320, only $3,000 was actually used; is that correct? Yet he read off a list of subscriptions which would aggregate much more than $3,000. Are those amounts not yet expended, but included in this year's appropriation?

Mr. MARTIN: The $3,304 is what we gave to the small hospitals. The other $200,000 is a revote.

Mr. FLEMING: When the minister refers to a revote he means that there was nothing devoted to those particular hospitals last year, that the grant made now is a grant for capital expenditure, and that this is not an annual amount?

Mr. MARTIN: Yes.

Mr. CHARLTON: The list of grants the minister read out totals more than $3,000.

Mr. MARTIN: Certainly.

Mr. CHARLTON: But the minister said that the total amount expended from the $204,320 voted last year was only $3,000. Is there $200,000 for capital grant made in one year? There is some discrepancy there.

Mr. MARTIN: When I reply to the hon. member for Grey North I shall give that detail.

Mr. COCKERAM: Is the minister aware that mining and lumbering operations in territories where there are Indians have consider-

able trouble with his department in handling those Indians? The people in charge of those operations are pleased to assist the department in looking after the Indians, but when it comes to a matter of settlement they have great difficulty in having their accounts paid. What arrangements are made for repayment when those bush hospitals look after Indian patients who seek treatment, under his department?

Mr. MARTIN: Has the hon. member a particular hospital in mind?

Mr. COCKERAM: I have in mind the hospital at Pickle Lake where we had eventually to refuse to handle Indian patients because we could not get anywhere with the department. Then there are hospitals in the Yukon where they had similar trouble.

Mr. MARTIN: This is the first time I have heard the complaint, but I shall look into it at once and speak to the hon. gentleman about it.

Mr. FLEMING: In the explanation the minister is going to make on this item, will he also cover the increase in the item? He has mentioned that approximately $200,000 is a revote, and that in addition to that there is another $19,000.

Mr. MARTIN: I have said already that I shall be happy to do that.

Mr. HARKNESS: I take it that this particular item covers grants to hospitals of all kinds which handle Indians, and I know the grants aggregate much more than the few thousand dollars the minister said were paid out last year under this item.

Mr. MARTIN: The cost of professional services were very high.

Mr. HARKNESS: In other words, the grants made to these various hospitals are in the form of payments for professional services?

Mr. MARTIN: In the case of small hospitals, partly.

Mr. KNOWLES: May I suggest that when hon. members speak, they rise and address the Chair. It is most difficult to hear the minister when he stays in his seat the way he does.

Mr. HARKNESS: When the minister is producing the figures he is to produce for the hon. member for Grey North I suggest that at the same time he give the details of the grants or payments for professional services that have been made to various private hospitals which take in Indian patients.

Mr. ARCHIBALD: I should like to direct the attention of the minister to the hospital at Brunswick, on the coast. This was mentioned to him by the Reverend Kelly, who is doing Indian work on the coast. He states that this hospital is run down and is located at a poor site. He contends that it would cost more than it is worth to rebuild it, and in considering future plans he would like to see a fifteen-bed hospital at Wadham's cannery site during the fishing season.

Mr. MARTIN: I shall be glad to look into that.

Item agreed to.

National health and welfare—

227. Civil aviation medicine, $25,035.

Mr. TIMMINS: This is a new item and I suppose the minister will have an explanation to give to the committee. Apparently this arises out of the research that was done during the war. There does not seem to be a head for this department and all the assistance seems to be of a temporary nature.

Mr. MARTIN: My hon. friend will understand that under the rules of the civil service a man is appointed temporarily for a probationary period. This is a new division and obviously you could not have anything but temporaries. For example, the new director, Doctor Emard of Cornwall, has just received his appointment from the civil service commission, and he will continue as temporary chief until he is confirmed in the position.

This is a new division created at the instance of the Department of Transport, which felt that they were in urgent need of medical advice for setting physical standards for civil flying personnel and for organizing and training medical service personnel to examine all prospective employees in civil aviation. It would assist in all medical examinations and advise on the suitability of applicants for employment from both mental and physical points of view. It would advise on all health problems connected with travel by air and would supervise industrial medical services at airports.

It was felt by both this department and by the Department of Transport that this division should be set up within the Department of National Health and Welfare. The purpose in this arrangement is to enable the medical officers to be closely associated with other medical officers in the public health service of the dominion government. They will attend staff meetings and take part in professional discussions; they will use the medical library and attend conferences of representatives of the various departments concerned with this endeavour.

It was thought that by this arrangement we can facilitate the close association which should be maintained between the new division, existing divisions, especially immigration medical services. I am sure the committee will appreciate that, with the advent of air travel by people from all parts of the world, there is a danger that these people will be potential vehicles for the communication of diseases of one kind and another. The closest attention and scrutiny must be given to those travelling by air, as is given to travellers on incoming vessels.

Mr. FLEMING: It would be interesting to know the extent to which there will be cooperation between this new branch and the work in connection with civil aviation which was carried on by the R.C.A.F. medical branch during the war. This country has every reason to be proud of the work of that branch. We would want to be assured that there will be the closest cooperation between this new branch and the R.C.A.F. institute of aviation medicine in my riding and that, as far as possible, personnel for this department will be recruited from those who served with the medical branch of the R.C.A.F. during the war. The minister has referred to the qualifications of Doctor Emard, and I am sure the committee would be interested in knowing something of his relationship.

Mr. MARTIN: During the war Doctor Emard was a R.C.A.F. doctor with distinguished service. After the war he had experience as head of one of the important hospitals in Quebec operated by D.V.A. As I say, he served in the R.C.A.F. and has a distinguished record. The liaison between the research division of the R.C.A.F. and this branch is not only one of intention; it is one that is actually in being. We shall work closely together for the reasons so well stated by the hon. gentleman.

Mr. LENNARD: What salary will he receive?

Mr. MARTIN: $6,000.

Mr. COCKERAM: There is an item for travelling expenses, and in going through all the items for the department I find that travelling expenses total about half a million dollars. That seems a rather large item for one department of government in peace time and I wonder if we could have an explanation.

Mr. MARTIN: It is a large item, but that is necessarily so, and I think the hon. gentleman will appreciate that when he realizes the type of services rendered by all branches of the department. For instance, there are expenses in connection with servicing the Department of Mines and Resources immigration branch, both abroad and at home ports. There are expenses involved in the movement of our officers in the nutrition division and the industrial hygiene division; there are the expenses entailed in moving sick, not to mention Indians; the travel of doctors and nurses. While the item is necessarily high, I think it is one that is fully justified.

Mr. KNOWLES: Will the minister give us some information with respect to the details given on page 175 of the estimates? There is an item, temporary assistance, $10,992. The details show $10,000 for temporary assistance; $43 for other pay-list items; professional and special services, $5,000. What are the functions, qualifications and salaries of the people doing this work?

Mr. MARTIN: The chief of the division, $6,000; one clerk grade 4, $1,944; stenographer grade 3, $1,704; stenographer grade 2, $1,344. There is an increase of $5,000 in professional and special services. It is considered that the services of independent medical officers will be required outside the operations of this division.

Mr. KNOWLES: They are not permanent?

Mr. MARTIN: We are constantly consulting professional services in this division as in others.

Mr. FLEMING: This is the last item on the medical side of this department. Can the minister now give us the total expenditure for the year from the total 1946-47 estimate of $7,651,252? Second, he was going to give the actual expenditure under item 200, departmental administration. Third, what was the total amount spent by the department last year on educational and informational publicity?

Mr. MARTIN: The total estimate for 1946-47 was $7,651,252, and the expenditure, $5,996,763.60; unliquidated commitments, $262,999.09. The total expenditure in 1946-47 under item 200 was $434,091.25, but in addition there were outstanding commitments amounting to $26,787.26. The total expenditure on educational and informational publicity outside of outstanding commitments was $278,326.84.

Mr. FLEMING: What are the outstanding commitments?

Mr. MARTIN: I have not got them but I will get them.

Mr. GREEN: There was one other matter on which the minister was going to give some

detail, and that was with regard to arthritis. He said on June 19, at page 4007 of *Hansard*:

The hon. member referred to arthritis, and perhaps later in the estimates I shall have more to say about this specific item.

The minister has already announced that there is to be a conference, but apparently one of the grave problems is hospital accommodation. I understand that only one hospital in Canada specializes in treating rheumatic diseases. Are any plans made for improving the hospitalization situation?

Mr. MARTIN: That whole matter will be discussed at the conference which is to take place very shortly, following our consultations with Lord Horder and Doctor Wallace Graham in Toronto.

Mr. GREEN: Has nothing been done to increase the hospital facilities for this disease since last year?

Mr. MARTIN: That is a matter for the provinces. We have nothing to do with hospitalization, but naturally that whole matter will be reviewed at the conference and ways and means suggested by which the provinces can deal with this matter.

Mr. GREEN: When will the conference be held?

Mr. MARTIN: I am hoping that it will be in September. I should like to have it before that, but certain arrangements have to be made with certain people whom we want to attend.

Mr. HATFIELD: What class of hospitals are exempt from sales tax on their supplies?

Mr. MARTIN: Bona fide public hospitals where medical and surgical treatments are given.

Mr. HATFIELD: Why are not the supplies of private hospitals where the same treatment is given exempt?

The DEPUTY CHAIRMAN: Order. The item we are considering is civil aviation medicine.

Mr. CASE: I should like to have an explanation of the phrase "unliquidated commitments." What does that mean?

Mr. MARTIN: Commitments that have not been liquidated.

Item agreed to.

DEPARTMENT OF PUBLIC WORKS

279. Departmental administration, $227,019.

Mr. NICHOLSON: On a former occasion we had a lengthy discussion regarding post-war plans, but the minister at that time was not prepared to indicate what plans his department had for the next two years or so. Can he make a general statement now with regard to major projects which he plans undertaking over a period of years?

Hon. ALPHONSE FOURNIER (Minister of Public Works): During the year we tried to add to the staff of architects and engineers, but we are finding it difficult to keep even the staff we have now. Young engineers and architects seem to prefer private enterprise. The staff we have at the present time is working on plans for buildings throughout the country to meet the needs of different departments. The engineers are also working on plans for works on both coasts and along the great lakes and the St. Lawrence. Last fall I travelled from Ottawa to the western coast to see the conditions for myself.

There is no doubt that we lack office space for nearly every department in nearly every province. We also lack facilities on the coasts, but we have found that lack of material and of staff in the preparation of plans and specifications has hindered the progress which we should like to make. Furthermore, lack of materials and of man-power has also in many instances prevented us from proceeding with the works we had contemplated even in the main estimates. If hon. gentlemen will look over my estimates they will see that in connection with certain specified projects the word "revote" appears. The amount of money was granted by parliament last year, but we could not complete the plans and specifications in time, and often, when we did complete them, after asking for tenders we found that we could not get any bids. That condition existed in many parts of the country. This year we are asking parliament for the same votes, perhaps with some increase, but the increases in the main estimates of public works—

Mr. MacNICOL: They are less than $5 million.

Mr. FOURNIER (Hull): Yes, $3 million odd. The reason for the increase in the vote is, first, maintenance of public buildings in Ottawa, which is due mainly to reconversion from war to peace-time status. Many of these buildings, before the present year, were maintained out of appropriations under demobilization or war appropriations. They have been transferred to the main estimates. The second reason would be maintenance of public buildings outside Ottawa, owing to increase in salaries caused by absorption of cost of living bonus, as well as provision for 207 new positions and an increase in the salary range of various classes of employees. The third reason for the increase would be in the general pro-

vincial repair appropriations for buildings and harbours necessitated by lack of repairs during the six years of war. We have increased that amount so that we can try this year at least to maintain our works in satisfactory repair condition. The fourth reason is that we have new items, totalling less than half a million dollars.

This year we expect that the situation as regards materials will ease up, and with a few additions to our staff we may be able to complete certain plans and specifications and proceed with certain works. I do not like to come before parliament with estimates of large amounts and next year come back and ask for a revote, but everyone will agree that my department is working under extraordinary conditions. If we were to proceed with a large programme of buildings—and I heard this all over the country—the first thing that would be said would be that this is no time to start large projects in view of the fact that materials are needed for housing, especially for veterans.

We have found that the increase in prices today is such that we might make an estimate in November or December, and later on, when we ask for bids, the tender would be far above the estimate we had made four or five months ahead of time. The department is not definite as to how much progress can be made even with the plans we have prepared right now. The department has to rely on the reports given by other departments, such as reconstruction, with respect to availability of materials, labour and man-power to carry out the works.

Mr. MacNICOL: Will the minister tell the committee exactly what part his department plays in the general construction of works for all departments? During the last few hours we have heard a good deal about hospitalization, and I gathered from what was said that an architectural department will be set up in the branch which we were discussing. I was under the impression all the time that when hospitals or any other buildings under the federal government were needed—I do not mean large construction works—the departments concerned made a requisition to the architectural branch of the Public Works Department to draw up the necessary plans. Will the minister tell us what relation the Department of Public Works has to all the other departments as far as constructing public buildings is concerned?

Mr. FOURNIER (Hull): We do undertake and execute works for every department. I may make an exception of the armed forces. The national defence department have a branch dealing with their own buildings apart from buildings for office space. Another exception is reconstruction. They do works themselves through their own crown-owned companies. The ordinary departments of government, however, come to the Department of Public Works. Take, for instance, health and welfare. If they need hospitals for Indians they get a vote for the purpose and make a transfer to public works. In cooperation with the architect they have at the head of the hospital designs branch of that department, we prepare plans or have an outside architect, under our supervision, prepare them. Outside public works, you will find, in external affairs, for instance, an architect who travels around and looks after our buildings outside this country. There are a few architects in the veterans affairs department who are also interested in hospital designing and the supervision of the different buildings they need for the care of veterans. I cannot recall whether there are other departments which have architects. Those are the three main departments. In health and welfare, notably, they have one architect who has specialized in hospital designing. I do not know whether he makes designs himself, but he is the kind of expert adviser we would have to prepare plans for hospitals. That is, as I see it, the justification for this special branch in health and welfare, especially since they have taken over Indian affairs hospitalization.

Mr. MacNICOL: I am glad to hear the minister say that, because I for one was alarmed, in view of what we heard this afternoon, that other departments would set up their own architectural staffs. In the old days and all down through the years, to my knowledge—and I used to have a good deal to do with the public works department, particularly the architectural branch—the Department of Public Works made all the plans for the public buildings of this country.

Mr. FOURNIER (Hull): We do all this work of making the plans and specifications through our architect's branch in the Department of Public Works. I believe it was only during the war that this situation has come to the fore and that certain men having these special qualifications have been taken on. But still, when these departments do propose any works, this architect in the Department of National Health and Welfare would be the man who would be the liaison officer with our own department to explain the things they need and the way they would like to have the plans prepared. I do not believe it would be a good policy to extend appointments of architects to every department.

Mr. MacNICOL: I agree.

Mr. FOURNIER (Hull): I am glad to have my hon. friend's advice on that. I am convinced that in our department we have experienced men.

Mr. MacNICOL: The very best.

Mr. FOURNIER (Hull): They are men who have been in construction work for years and years. They are trained. Some of them have spent their lives in the department and have an experience which no ordinary architect in private practice would have. I do not consider that these departments should try to take over and divide up the architect's branch of the Department of Public Works; but in certain instances, for special work such as hospitals, I think there is no harm in having a man to advise the minister concerned as to modern developments in the construction of hospitals. I believe he would be a help to our own architects in that special line. Once again, let me say that I do not believe it should become the practice of dividing up the architects branch among the departments.

Mr. MacNICOL: From years of experience, I can say that the Department of Public Works has excellent engineers in all the various branches, such as heating, ventilating, air conditioning, and everything pertaining to buildings. To me it would be too bad if other departments were setting up architects to carry on what the Department of Public Works is so well qualified to do, having such well qualified men in its architectural branch. I am glad to hear what the minister says.

Mr. FOURNIER (Hull): I should not like to allow that remark to pass without joining in the sentiments and kind words of praise for our officials which the hon. member has expressed. He is someone who knows these officials. For five years I personally have had contact with them, and I tell not only my colleagues but many other people that I think we have the best civil servants in those two branches—engineers and architects—that can be found in the country.

Mr. MacNICOL: There are none better.

Mr. IRVINE: I have a great number of immediate demands for public buildings. I have discussed the matter with the minister on several occasions, and he has been most kind and considerate in going over the possibilities with me. I appreciate the difficulties which he has in the matter of public buildings, particularly those which are caused by shortages in building material. Will he be good enough to make a statement as to the position of his department with respect to public buildings? Is there any sign that in the near future he may be able to proceed with a greater programme of construction? I do not intend to give a list of the number of public buildings which are immediately necessary in the riding of Cariboo, but I would call to the minister's attention the requirements of the town of Clinton for a post office, of Williams Lake for a public building, and particularly of Quesnel for a public building. Since I have been on his doorstep for some years with regard to these public buildings, I should like the minister to make a statement so that the people of these towns and villages may have some understanding of the situation.

Mr. FOURNIER (Hull): Actually the government occupies 762 public buildings all through the country. They are government-owned buildings. We have leases of premises for ordinary departments in 597 buildings and leases for war purposes—that is, for offices occupied by departments which, we believe, will disappear as time goes by—in 147, making a total of 1,506 buildings all over the country. In my main estimates I have down, for every province, a large number of items for repairs or additions to our actual buildings all through the country. We tried to use that vote last year but have made very little progress because no one seems to want to bid on a firm basis. As you know, during the war many of the works were constructed on a cost-plus percentage or fee basis. Today contractors hesitate to tender firm bids because of the material situation, prices and even the labour situation. I am told that the contractors all over the country are so busy with work for private enterprise, which they prefer, and which they can generally have on a cost-plus basis, that they decline to tender on a firm basis. I wish to say here that even during the war the Department of Public Works —and I agree with my officials—would not change the procedure which has been established in that department for many decades, whereby they ask for tenders and give out the contracts to the lowest bidder. Contractors are beginning to come back—and I hope they will do so—to the idea that for government purposes that is still the best policy which can be followed. I say that without criticism of what was done by the government during the war. In normal times the only way to satisfy the public, when spending their money, is to give an equal chance to everybody to tender for the works which are to be undertaken. All through the country I have requests, not only from members, but from the various departments of

government, and especially from my colleague the Postmaster General.

Mr. BOUCHER: Is he worse than the rest?

Mr. FOURNIER (Hull): I would not say worse, but I have a lengthy list from his department, endorsing requests made by members of parliament, not only on this side of the house, but on all sides. We cannot see our way clear during this fiscal year, however, to put up those buildings. We are trying to make a start. I have some estimates providing for the purchase of sites, in preparation for putting up these buildings, but as to the actual construction I am afraid I cannot assure the hon. gentleman that during this fiscal year we can expend even the sums contained in the estimates. I am told, however, that next year probably the material situation will have eased, and I am sure I shall have the support of all hon. members especially those who come to see me and ask me to put up buildings in their ridings, in putting through my estimates to give different communities the buildings they need for the public service.

Mr. BRACKEN: I do not want to interrupt the questions the hon. member for Cariboo is asking, but perhaps he will follow on after I have asked one. The matter I am going to raise will not take very long. The question of new buildings across Canada, as the hon. member for Cariboo has pointed out, is important, but this afternoon I want to raise the question of caring for some of the buildings we already have. I refer particularly to the building in which we now sit. I want to protest against the condition of this chamber at this moment. It is not fair to ask hon. members to sit here with the draught we feel today. This matter was raised a short time ago by the hon. member for Queens. I wish some hon. gentlemen opposite could sit here and feel the draught on the back of our necks. I want to ask the minister who is responsible for the ventilation of this chamber; and, if it is his department, what steps have been taken to correct it. This is not the first time we have had this condition. It is a frequent occurrence, but today it is just a little worse than I have ever known it. I do not blame hon. members for leaving the chamber and refusing to sit here under these conditions. Would the minister explain why this cannot be corrected; or, if it can be corrected, why he does not take steps to have this done?

Mr. FOURNIER (Hull): After the complaint was made in the committee about an hour ago, I made inquiries, but I received different reports. While sitting here, I received one report that an hon. member, coming into the building from the heat outside, just walked into the lobby and opened the windows. Is that correct? I do not know, but I have that information.

Mr. FULTON: They are now closed.

Mr. SMITH (Calgary West): Just sit here and feel the draught on your neck.

Mr. FOURNIER (Hull): If you will give me time I will give the picture as it has been given to me. If it is true that the windows were opened I am afraid I cannot be on the job every moment telling the officials to close them. There is a ventilating system here; and I am told that today the officials put on the fans, in view of the heat outside. The moment the complaint was made, someone went down and turned off those fans.

Mr. STIRLING: But it is still blasting.

Mr. FOURNIER (Hull): But the effect does not disappear the moment you turn off the fans. Another person came in and told me that the moment you open the doors in the ladies' gallery, the wind blows from one end of the chamber to the other. There may be ten reasons why we are not comfortable, but we are constantly endeavouring to find ways and means of seeing to it that every member of parliament will feel comfortable at all times, on both sides of the chamber.

Mr. BRACKEN: Is this condition peculiar to this side of the house, or it is general? There is a strong draught on my back, and I assure the minister it is most objectionable. There should be some way to correct it. With a proper system of ventilation, we should not have to put up with such a condition.

Mr. FOURNIER (Hull): I am told that the exhaust fans are on that side of the house, I have just asked my deputy if he can correct that condition and he says probably they will have to be put on both sides.

Mr. IRVINE: Could the minister not remove the vacuums which are on that side of the house, which would cause the draughts?

Mr. GOLDING: There is a draught on this side of the house as well. I know last evening the hon. member for Algoma East was sitting here and had to leave the chamber because of the draught. So it is not only on that side.

Mr. BRACKEN: That is an added reason, though not quite so important as the one I raised.

Mr. FARQUHAR: This is not something that has happened recently. This draught has been very bad for the last month or more. I have gone down and spoken to the engineer to see if the situation could be remedied, but apparently very little has been done. I just cannot stay in the chamber part of the time because of the tremendous draught over here. Anyone with asthma will feel it very badly.

Mr. BOUCHER: I think on this item I should say what I had intended to say later. The minister spoke of the advice he was given when he went around the country surveying the need for new buildings, and his conclusion that, with the present shortage of material and labour, it would not be wise to embark upon a large programme of building construction. I believe that is a sound decision, but I should like to draw his attention to the fact that the public works department is far behind in the work of repairing and renovating government buildings. For a number of years we in Ottawa have had to hang our heads in shame because of the condition of some of the government buildings in this city. I think of the expenditures we have made on wartime housing and on temporary buildings; then I look at the east block and the west block and see the antiquated, unsanitary, unhealthy condition of those buildings, and it seems to me we should do something to have the Department of Public Works put government buildings generally into much better condition than they are at the present time.

Just recently I was a member of a delegation which visited the passport office of the Department of External Affairs. We saw a building which the employees considered to be in a most dilapidated condition; and we quite agreed with them. As I looked at that building, however, I thought of the east block, the west block and the Daly building, which are even worse. Some of the members of that delegation ran their fingers along the wall and brought away dirt which had been accumulating there for many years. The place had not even been decorated. In my opinion such a condition in our government buildings is deplorable. I am sure no one could go to the passport division of the Department of External Affairs without being thoroughly ashamed of the dominion government and the Department of Public Works, if that is the department responsible for this situation.

Now that new construction cannot be carried out because of the shortage of material and labour, I exhort the minister to give attention to the improvement and renovation of the buildings in which our civil servants work. People walk through the spacious grounds of these parliament buildings and see all the beauty and art represented there. They give credit to those who have done this work. The crowds who are here today have, I am sure, been impressed with the beauty and workmanship that are evident on parliament hill, and that are the result of the work of the federal district commission generally. But if they walk into the east block or the west block they see most unsanitary and unsatisfactory conditions under which government employees have to carry on. It is no credit to members of the House of Commons to put the show outside and the disgrace inside, and that is exactly what it is.

If any hon. member were to go down to the Daly block and into the Department of Veterans Affairs in that block, and were to look upon the unhealthy, unsanitary, dark and depressing conditions existing there, as to both light and ventilation, he certainly would not feel any great pride in the deal the government has given the civil service, or any pride in the example we have set in respect of conditions of labour and health. The time has long passed when the department and the government should have paid some attention to their own buildings, without necessarily making any exorbitant expenditures. There would be no necessity for that; but there is no excuse whatsoever for a failure to clean walls, to decorate them if necessary, to improve ventilation and to bring about more satisfactory working conditions for government employees.

I have said this on other occasions, and what I am saying I believe does not fall on an ear which is not anxious to hear it, or which is not in agreement. But we want action, and the sooner we get it, the sooner we can look with some degree of pride upon the relationship between the dominion government and its employees.

Mr. FOURNIER (Hull): For many years I have not received so much support from an hon. member as I have within the past few moments from the hon. member for Carleton. I hope, when I bring in estimates involving the expenditure of large sums of money for all the public works suggested to me, he will continue his support. I thank him, right now.

Mr. BOUCHER: I would always support the improvement of a dirty building.

Mr. FOURNIER (Hull): I agree that our buildings are in a poor condition. But let me remind the hon. member that at one time

during the war years my estimates were down as low as $12 million or $13 million. All agreed at that time that our policy was a good one, and that during the war we should direct all our effort to the winning of the war. I recall days when my estimates would be passed in fifteen or twenty minutes, and that fact did not surprise me greatly because the committee was not agreeing to very much.

Now that the war is over, we are adding every year to the estimates and increasing the staff. In the city of Ottawa we own fifty-two buildings. But does the committee know how many buildings we rent in this city? We rent ninety-six buildings right in this city of Ottawa. That goes to show that the government does lack government-owned space. The right policy would be to have our own buildings in a good state of repair, and we are working toward that end.

My good friend chose about the oldest buildings when he was describing their poor condition. Some of them were built as far back as confederation.

Mr. BOUCHER: Is it that long ago since the walls were cleaned?

Mr. FOURNIER (Hull): Every government must take its share of responsibility for not having kept them in good condition. I have noticed this state of affairs; but, as the years go on, one of the buildings to which the hon. member referred will probably change some of its uses. At the present time it houses the Department of Finance, which has become most important. The time may come when it may require more space and will want to move somewhere else. We also have there the Department of External Affairs, which twenty years ago did not exist, but has now become most important. The privy council is lodged in the same building.

Our intention is to try to keep that building for the privy council, the Prime Minister's office and the Department of External Affairs. But we cannot so easily get rid of a department as important as the Department of Finance. We have not yet found a location which would suit the needs of that department.

However, I would not be discouraged. Anyone who will look into the work of this department will see that it is a most interesting one. It is not intellectual or spiritual; one gets right down to—

Mr. KNOWLES: Dirt.

Mr. FOURNIER (Hull): —earth. Every time a lavatory is not in working condition, someone will be kind enough to tell the minister there is something wrong in his department. If a charwoman is sick, or there is some difficulty in connection with the payment of her wages, the minister will receive a letter; he will hear about it. And during all this time the thousands of employees in the department are doing their best, with the moneys available, to do their jobs.

Mr. BOUCHER: I am not asking the minister to make any grandiose expenditures in Ottawa, nor am I asking him to erect new buildings. But if at the present time we cannot have new buildings, and cannot make large expenditures, at least we should keep the buildings we have in better condition than they are now being kept. Surely it would not take much money from the dominion treasury to clean or to redecorate the walls, and to improve the lighting facilities so as to make those buildings already constructed sanitary and healthful. That would not be difficult. I believe the minister agrees with me, but I do not like to have him suggest that I am asking for heavy expenditures when, in fact, I am asking only that the government maintain its present buildings in decent condition.

Mr. FOURNIER (Hull): I go to the east block every day, and I know it well. I do not know if it would be worth while to clean the walls, because most of those walls should be torn down. It should be repartitioned or divided for the needs of the departments we shall have there. We could spend $20,000 or $25,000 on the building, but in a year or so we would have to tear some of those walls down. They are old buildings. That building would require complete reconstruction; we could keep the shell; probably, and build something new inside. That would not be a grandiose project; it would be useful, but it would cost a lot of money and require a lot of material.

Mr. FAIR: Complaints have been made practically every session since I came here, and are still being made, about accommodation in this building. While those of us in the house are privileged to bring our complaints to the minister—even though he does not act upon them in all cases—there are others who cannot voice their complaints. I refer to the stenographic staff in this building, who are perhaps the right arms of the members. They, too, have complaints which reach the members from day to day, but which have not yet been attended to. I understand that at the present time their working condi-

tions are considerably worse than they have been for a number of years past. I do not know if anything is being done by the minister, but if nothing has been done I suggest that it should be. These people are expected to do their work efficiently, and they should have much better working conditions than they have at the present time.

Mr. HERRIDGE: I wish to compliment the engineers and fieldmen of the department who are operating in British Columbia. I believe they are closely connected with their problems, and are giving very satisfactory service. However I would make a criticism of the department's architectural branch in British Columbia. I am sure they are not fully aware of modern working conditions and the circumstances under which people in this day and age should be asked to work.

For a number of years I have followed closely the recommendations in British Columbia in connection with certain buildings and projects, and in my opinion the architectural staff of the department. as it operates in British Columbia, is old fashioned in methods, old fashioned in ideas, bureaucratic, and slower than molasses.

Let me give an illustration: For some years the accommodation in the public building at Trail has been most inadequate. A number of young girls employed in the post office found it necessary to eat their lunches in the building. The branch made a survey of the whole building, and it was then proposed by this branch that the girls should eat their lunches in the basement in which there is a continuous foul odour from the sewer. I should like the gentleman in question to eat his lunch there for a few months in succession.

Then I wish to complain about the lighting in these public buildings. I know two or three people whose eyesight has been badly effected by having to work under poor lights. I am referring particularly to the post offices at Trail and Nelson. At small expense the lighting in these buildings could be improved. People having to sort mail and work with figures are now forced to work under lights placed on high ceilings, and there is no necessity for that when a small expenditure would permit them to work under good lighting conditions.

I should also like to refer to the discrepancy in janitors' salaries. I have never been able to get the real basis upon which janitors are paid. In one place a man receives a higher salary for doing less than another man receives for doing more. I urge an inquiry into these inequalities.

I urge the minister to check up on the architectural branch in British Columbia. I suggest that he visit, the province to see some of the things I have mentioned. I think my criticism is correct, that these officials are old fashioned in their ideas, bureaucratic in their methods and slower than molasses.

Mr. KNOWLES: Is the minister in a position to make a statement with regard to the negotiations in connection with the new post office in Winnipeg? I am not pressing that immediate action be taken, but there is keen interest in this matter and I hope the minister is ready to tell us whether a new site has been purchased and, if so, where it is. If a site has not been purchased, could he tell us whether the request of the greater Winnipeg town planning commission that they be consulted before the site is finally chosen has been acceded to?

Mr. FOURNIER (Hull): I was in Winnipeg to look over the situation in October last, and our architect, Mr. Parkinson, drove me to four different sites. One was Grace church; another one was a block close to a newspaper building where there are some old buildings; another was across from the federal building which was built around 1934, and the other one escapes my mind. The secretary of the greater Winnipeg town planning commission spent some time with me when I was in Winnipeg. He did not come with me to visit the different sites, but I asked him if his commission had any suggestions to make and I named the different sites that I had visited. He would not commit the town planning commission. All he wanted to know was the decision of the government as to the site, so that they could continue their planning with the knowledge that we would have this new post office on a specific site. He would not tell me that the commission would take the responsibility of choosing a site; they left that to the officials of my department. He told me that when they got that information they would continue their planning, keeping in mind where the building would be erected. We have appointed real estate men as valuators in connection with one of these sites, the one across from the newspaper building.

Mr. KNOWLES: Across from the Winnipeg *Tribune*?

Mr. FOURNIER (Hull): I think that is the one. We have people working and they

will send in reports as to the values of these sites and then we shall expropriate or purchase by agreement.

Mr. KNOWLES: Is that likely to take place soon?

Mr. FOURNIER (Hull): If we have to proceed by expropriation, I cannot say exactly when that will be.

Mr. BOUCHER: Do not let the speculators go to work on that property.

Mr. FOURNIER (Hull): I think we shall have to proceed by expropriation. I find that when there are different owners and we start to purchase property prices go up, or the property changes hands and we have a lot of trouble. I believe the decision will be to take expropriation proceedings on that block and then make offers based on the valuations handed to us by the people we have appointed. Up to now we have had no definite reports concerning the valuations. I understand that we are waiting to get the valuations from our men before taking expropriation proceedings and then we will make offers.

Mr. KNOWLES: Is the minister or his department keeping in touch with the town planning commission, not because they have to, but as a matter of courtesy?

Mr. FOURNIER (Hull): I have not the file here, but I have had some correspondence with them in recent weeks. I recall that it was after my visit out west. I found them most helpful in the way in which they explained the work they were doing for Winnipeg, and we assured them we would cooperate with them. When I left them we were the best of friends.

Mr. IRVINE: I wish to bring up a matter concerning dredging in the narrows of Quesnel lake. If the minister prefers that I bring it up under some other item, that is all right with me, but I want to be sure I have an opportunity of bringing it up.

Mr. FOURNIER (Hull): I think the hon. member should wait for the item on dredging.

Mr. McIVOR: For about twelve years we tried to have the McKellar river dredged, but now it is being lowered, which should prove a splendid stimulant to the growing industries of the two progressive cities at the head of the lakes. I think anyone who loves flowers would be remiss if he did not express appreciation for the way in which the federal district commmission keeps the grounds around this parliament building. I have had many enjoyable times out there.

[Mr. Fournier.]

I have another matter I should like to bring before the minister. During the recess last summer the Speaker of this house visited different houses of parliament and other large buildings in an effort to see if something could not be done to improve the acoustics in this chamber. I think the Minister of Public Works would do well if he saw that each member got a copy of that report. During this recess he might continue his investigation and have something done. Personally I am in a happy position because I can hear nearly everything that goes on in this house—sometimes I hear too much—but sometimes hon. members find it difficult to hear other hon. members when they are speaking in different parts of the house. We invite the public to the galleries and we expect them to hear. It would be a good thing for them to hear what is going on. The press gallery also have a great deal of difficulty in hearing what is said in the chamber, but the members of the press gallery are very patient and can wait a while and read *Hansard*. My request is that that report of the Speaker should be made available to every member of this chamber.

Mr. FOURNIER (Hull): I do not know that I have any authority to ask the Speaker to table the report. I was under the impression that the report had been circulated. As I remember the report, it was not very favourable. I think if the hon. member would just ask Mr. Speaker he would readily furnish him with a copy of the report.

Mr. McIVOR: I have a copy, but I think every member should have one.

Mr. FOURNIER (Hull): I can transmit that request to His Honour the Speaker who, I believe, will have the report distributed.

Mr. JAQUES: I wish to bring to the minister's attention the condition of a pier in a lake in my riding, which was built by the Department of Public Works a few years ago.

Mr. FOURNIER (Hull): We are on the first item of my department concerning administration on which a general discussion takes places. If the hon. member wishes to bring up any specific project, perhaps he will wait until the engineering item comes up.

Mr. JAQUES: I could not see any item on which I could raise this question. Would the minister indicate the item?

Mr. FOURNIER (Hull): I believe the item would be the one concerning engineering works in Alberta.

Mr. JAQUES: Thank you.

Mr. CHURCH: I want fair play from the Chair. I rose three times before the hon. member who got the floor and you did not see me, Mr. Chairman.

The CHAIRMAN: I think I should assure the hon. member for Broadview that if I had seen him first I would have called on him first. It is my duty to endeavour to see representatives of the different parties and to divide the time of the committee as fairly as possible among the different parties. I know I do not succeed—

Mr. JOHNSTON: You do very well.

Mr. MacINNIS: Very well indeed.

Mr. CHURCH: I have been here for a long time and have never been treated in that way before. I obey the rules and I want fair play; that is all. I call the minister's attention to the fact that the hon. member for Fort William might have been killed the other night when he was crossing the road, because of traffic conditions and speed of cars around these buildings. The method of parking cars around this building is very dangerous. I have never seen the like of it before. It was complained of by the hon. member for Waterloo South the other day. Cars are parked all around this building, and those beside the east block reserved on a public roadway for some with permits. You are spending money in beautifying the grounds and look at what you have got. The cars should be removed.

Then look at the monuments around this building. All or none should be in the front. You can hardly see Sir John A. Macdonald's monument from the main entrance with the cars in front, and D'Arcy McGee's monument is down at the rear of the building where they put in the coal. Of course the Irish do not look for any favours here. Alexander Mackenzie, prime minister, who slept on the strong box, is to one side, with cars in front too. There should be some reallocation of all these monuments in the public interest. The minister may shake his head, but I believe there should be. I have seen people sitting on the monuments reading newspapers, and all that kind of thing. There should be some regulation forbidding them, and regulation of traffic. It would not be allowed at Washington, and car parking is not allowed on the streets in downtown Toronto. There was a big fire in Hull recently, and it was fortunate the wind was blowing the other way, or this building might have caught fire from wood piles. One of the bridges caught fire and was out of commission for weeks. We should do something to protect this building on which we have spent more than $20,000,000.

As to the upkeep of the grounds, I am not complaining about the grounds because they are very well kept and the flowers were very good this year.

Then there is the smoke nuisance, which is very bad. The government should set the example in abating this nuisance in all its buildings.

Something should be done for the char women to better their wages and labour conditions, and particularly should something be done about the monuments, a great many of which are now in the backyard. Also new parking regulations should be made and enforced.

Item stands.

At six o'clock the committee took recess.

After Recess

The committee resumed at seven o'clock.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

Welfare branch—

228. Welfare branch administration, $38,846.

Mr. GREEN: When we dropped the consideration of these estimates this afternoon I was about to ask the minister if he would make a statement with regard to the policy on community centres. During the war people in the various communities of Canada learned to work together much better than they had done in times of peace, or so it seemed to me. They had so many common interests, were organized for air-raid precaution work, Red Cross work and activities of one hundred and one different kinds, and as a result there developed across the country a fine community spirit. With the war over, there seems to be an eagerness to keep that spirit alive, to keep the people of the different settlements in the country working closely together. One of the main objectives is the establishment of community centres.

There are very good reasons for the establishment of such centres. The benefits are, I think, obvious to all members of the committee; they include helping the young men and women who have come back to become rehabilitated and also helping in the improvement of the health of the people generally.

I am sure that everyone in this house during the war was shocked at the large percentage of rejections for the forces because of physical disabilities. I have not the percentage at hand at the moment, but I think it was approximately fifty per cent, in a country where standards of living are as high as anywhere else in the world. Benefits also will follow in the way of checking juvenile delinquency, which has become quite a problem throughout the country.

I thought the former Minister of National Health and Welfare, the present Minister of National Defence (Mr. Claxton), emphasized the importance of these centres very clearly in a statement which he made some time ago and which I will quote. He said, in a radio address:

> I think one of the ways in which we can gain a new sense of cultural and social purpose after the war is through community centres. They will provide in each city and town a meeting place where all citizens can make their contribution to our social life, to art, to music, drama and sport. Community centres may very well produce more fine arts, more composers and musicians, more dramatists and actors, more poets and writers. Community centres can make a major contribution to the development of creative expression in Canada. Community centres can also, I feel, make a major contribution to the solution of the problems of adjustment that many of our service men will find on their return to civilian life.

I have learned from the minister's department that in every province there are many community centres being developed at the present time. A year or two ago there was a Gallup poll on the question, which was put to the people in the following terms:

> After the war should memorials be mainly in the form of monuments, or in the form of playing grounds, clubs, hospitals, schools and so on?

The result of the poll showed that those who wanted monuments were only ten per cent, while those who wanted useful memorials were ninety per cent. The figures for Great Britain and Australia on the same question were almost identical. In Australia, only four per cent wanted monuments and ninety-six per cent, memorials; and in Great Britain nine per cent wanted monuments and ninety-one per cent, useful memorials. So that in developing these community centres our people not only have the idea that benefits will follow, but are also building them up as memorials to our fighting men.

I want to ask the minister where the federal government fits into this picture. I suggest to him that the very fact that these centres are designed in most cases as war memorials gives the federal government some responsibility. From my own point of view, it would have been very wise for Canada to adopt as a memorial to the fighting men of this war some such scheme rather than the beautification of the Ottawa district. I am the last one to say that the national capital should not be beautified, but I think that as a war memorial such a project is not entirely fitting. Certainly it will be of little use as a war memorial to anyone in the more distant provinces. The vast majority of such people will never even see the development and it will mean little to them. My opinion is that we would have been wiser to adopt a broad scheme of building up community centres as a war memorial.

The dominion also has a responsibility because so many veterans are involved, and the care of the veteran is primarily the job of the dominion government. Further, I do not think there is any other way of coordinating the construction of these community centres. The cities cannot do it; the provinces cannot do it. Any effective coordination must come from the dominion, and if there is to be a national planning of such centres it must be done by the dominion.

I suggest to the minister also that the dominion might very well help in the financing of these community centres. That is done in Great Britain. I have here a booklet which the department was kind enough to lend to me. It is entitled "Community Centres", is written by John P. Kidd, and published through the agency of the Canadian council of education for citizenship. At page 79, on the subject of financing community centres in Great Britain, I find these words:

> In Great Britain the ministry of education is providing grants up to 50 per cent of capital costs for new centres, and substantial grants towards extensions of present facilities.

On the following page there is some reference to what might have been done in Canada, and the extract is as follows:

> At the present time, as far as is known, there is no other federal government provision for either helping to build or maintain community centres.

That is, other than wartime housing centres. Then this article goes on to say:

> A deputy minister when asked what the possibilities were of such aid, stated that it was his unofficial opinion that the federal government would cooperate and share the cost with both provincial and municipal bodies, but that the initiation of individual co nmunity centres must start in the community.

That deputy minister may have been taking a good deal for granted, but I hope he was not, because he had a good idea. The suggestion has been made in British Columbia that the cost of these community centres should be split four ways, namely between the dominion, the province, the municipality and the people in the district itself. It is felt that the people in the district should accept the primary responsibility. That is essential if the community centre is to be successful. But it is also felt that the dominion should be prepared to contribute at least one-quarter of the cost.

I should like to say a word in praise of the leaders in the communities, who build up these centres. It is a difficult job and one which requires great patience, great tact and great energy. Always, where you find a good community centre you find some extremely good people behind it.

The dominion could also help by providing for the training of instructors. I find that advocated in the report of the dominion's own director of physical fitness published on April 1, 1946, where he uses these words:

> It is apparent that Canada does not at present possess a sufficient number of well-trained leaders to organize an adequate physical fitness programme.

The national council on physical fitness, at their meeting in Victoria on April 5-9, 1945, had recommended as follows:

> The council, recognizing the need for trained leaders, will encourage the appropriate authorities throughout the dominion to establish training courses for community leaders. By the addition of these courses to already existing ones, it is hoped that a large number of leaders will be trained this year . . .
>
> The council endorses the principle of establishing community, recreational and cultural centres or other related recreational facilities, as war memorials.

I realize that something is being done by the council on physical fitness and by the minister's department generally to help in the training of these instructors, but there is much more to be done and the dominion must go farther than it has already gone. Also, help could be given by the minister's department in the way of coordinating the activities in the community centres, in getting out programmes for such activities. I think the department should be represented on the various committees which are trying to build up these centres.

There may be many other ways in which the federal government could help. Probably other hon. members will have additional ideas. In any event, I should like to have the minister tell us just what the policy of the government is with regard to these community centres. At the present time, when there is so much uncertainty as to what way of life we are to have across the world and when there seem to be different ideas in competition for men's support, I would point out that it is vitally important that we should promote all those activities which make for a fuller life in the communities across the country.

Mr. MacINNIS: Before the minister replies, I should like to support the excellent presentation which has just been made by the hon. member for Vancouver South. Like him, I should like to express my appreciation of the work done by people in my own community—that is, in the city of Vancouver—in promoting community centres. Work done in this connection should be all the more appreciated because it is done under great financial difficulties and requires a great deal of hard, grinding effort in order to find the money to carry it on, to provide the amusements, to work out the programmes and all that sort of thing.

Last winter I was invited to a little affair arranged by one of the community centres in Vancouver, the hon. member for Vancouver South was also there. I was indeed impressed with the work they were doing. I felt guilty that I myself did not have more to do with it. There is in Vancouver an organization called the Greater Vancouver community council. Last winter this organization prepared a brief which was submitted to the federal government, I believe—very likely to the Department of National Health and Welfare—and also to the provincial governments and to the municipal authorities. The minister of education of British Columbia has gone so far as to set up a committee to investigate the need for action in this matter. This committee consists of representatives of the Vancouver school board, a representative of the city parks board, a representative of the university of British Columbia, a representative of the provincial government and a representative of the Greater Vancouver community council. The committee will note that it has widespread support throughout the community and, by virtue of the approval of the provincial government, support throughout the province. Of course anything I say in regard to this matter will, of necessity, relate to Vancouver, because that is the only part of the province I know anything about in this connection. In the brief presented by the Greater Vancouver community council to

the various governments four proposals are made which it was felt would meet the need. I will take the time of the committee to read those proposals; then they will be on record, and I think their reasonableness will appeal to hon. members. They are:

1. The governments of the dominion of Canada and of the province of British Columbia and the city of Vancouver should financially assist in the construction and operation of community centres in approved locations in the city of Vancouver and surrounding territory.

2. Such financial assistance should be by way of each of the two governments and the city contributing "dollar for dollar" raised by the people of the community requiring the centre—in other words each of the four parties should contribute one-quarter of the cost.

I want the committee to note that those promoting these community centres are willing to do their share by going out and raising one-quarter of whatever amount of money is required for the purpose.

3. The board of park commissioners for Vancouver, upon whose property the approved buildings would be constructed in Vancouver, should be appointed as the administrative body for the grants and all applications would be approved as to grant, site and plans by the said board.

4. The community associations and the parks board would either individually or collectively take such action as the government may deem necessary to make themselves eligible as recipients for grants from any special fund which either of the governments may have to draw upon.

I appreciate that this deals only with one small part of the community, while the hon. member for Vancouver South was urging a programme that would be applicable all across Canada. However, if this programme could be made operative in Vancouver or British Columbia, perhaps similar programmes could be made operative in other parts of the dominion. The point raised by the hon. member for Vancouver South, as to the federal government assisting and organizing centres of this type right across Canada is, to my mind, a timely proposal and one to which the department should give earnest consideration.

Mr. McIVOR: The two hon. members from Vancouver have made the suggestion that the community or the city should do something itself. I would be remiss if I did not say that the junior chamber of commerce of Fort William went out and collected $100,000 for their community centre. If there is any hope of getting anything from the dominion government to encourage those young men we shall be glad to get it; but we have taken the first step. Whether the dominion government does anything or not, we are going ahead anyway, because both the lakehead cities feel that this is a most important job. If you are going to reduce your police forces it will only be by taking care of your boys and girls through good clean recreation and athletics.

Mr. MARTIN: The hon. member for Vancouver South has spoken to me privately about this matter, and the hon. member for New Westminster has both spoken and written to me about it as well. I have listened with great interest to what all hon. gentlemen have had to say, and I am sure the committee will agree with the general objectives which have been outlined. There can be no doubt of the value of community centres. The experience in Britain and some of the European countries, of which I have some personal knowledge, is certainly corroborative of what has been said tonight. Likewise as an agency to control juvenile delinquency, there can be no doubt about the value of community centres, as well as for the purpose of creating general interest in what one might call the more worth-while things.

Of course I must remind the committee, and the committee will appreciate, that in this matter we can hardly compare Great Britain with our country. We are a federal state; Great Britain is a unitary state. The provinces are properly jealous of their constitutional powers. We have heard much in this house, and rightly so, of the dangers of over-centralization; and I should think if there was one field in which the community effort could best be emphasized it would be in this particular field. I believe that orderly government in this country depends largely upon the orderly working of the various jurisdictions of government, municipal, provincial and federal; and, desirable as many of these things are, one has to bear in mind constantly the division of constitutional powers. The matter is not just as easy as it has been portrayed, for in some of the provinces there is not only a jealous regard for their jurisdiction in these matters but, more than that, we have been told this is a field they regard as properly their own. It has been generally accepted, certainly up to the present time, that the basic responsibility for the development of these community centre projects belongs on the level of the provincial governments. Indeed in some provinces, certainly in one that I recall offhand, there is legislation covering this very matter;

and in one other province, where there is no legislation but some financial assistance given by some other method, there is a strong insistence that this is a matter coming within the exclusive jurisdiction of the provinces and that it must be so regarded, and we in turn so regard it.

As the hon. gentleman has said, during the war in respect of wartime construction through the Wartime Housing and under my colleague the Minister of Reconstruction, certain community centres were created. That was the case in my own city; and I know of the great work and the great usefulness of those agencies from the point of view of promoting interest in art, music, the handicrafts, and so on. I can only say that in the proposals made by the dominion to the provinces at the dominion-provincial conference reference was made to the willingness of the dominion government to accept responsibility for the provision of community planning information, and to the federal government's willingness, under certain conditions, to assist the provinces and municipalities financially in the planning and carrying out of certain types of public projects. Those projects could easily come within that category; but, as my hon. friend knows, it would depend upon a pretty wide measure of agreement. However I do not think I can offer the hon. member any more encouragement, in the light of the fact that, in the nature of things, I believe the problem is essentially provincial. That is also the legal basis.

During the war, under the War Charities Act, which was administered by the Department of National War Services, and in the liquidating stages by this department, moneys were collected by various organizations, including the Canadian Legion, for the purpose of doing the very thing my hon. friend has mentioned, namely, that of creating as war memorials recreational centres, community centres and the like. Some of these funds are still in the stage of liquidation, and some have been realized. As a result, some projects have been built. I fully agree with the desirable object mentioned. Communities, such as the one to which the hon. member for Fort William has referred, can do a great deal themselves, and should be encouraged to do it, particularly in respect of purely community efforts.

I believe I can say no more to the hon. member which would be of pertinent relevance, and would only assure him that the problem is one of continuing interest.

Mr. GREEN: The minister did not deal with the question of helping to train instructors. He did not say whether the dominion has drawn up any general plan for the construction and operation of community centres. Has any leadership been given along those lines?

Mr. MARTIN: As my hon. friend knows, under the vocational scheme of the Department of Labour, in Nova Scotia for instance, that sort of thing is done.

Mr. GREEN: What about the plans? Has the dominion any general plans for the construction and operation of community centres? Does it give leadership of that type?

Mr. MARTIN: We are collecting them all the time and are very glad to pass them on.

Mr. FLEMING: What were the expenditures last year on the item?

Mr. MARTIN: The estimate for last year was $37,635. The actual expenditures for the same period were $25,060.31, and the unliquidated commitments were $2,015.18.

Item agreed to.

Welfare branch—
Family allowances—
229. Administration, $1,904,397.

(Translation):

Mr. MICHAUD: Mr. Chairman, while the national health and welfare estimates are before the house, I wish to make a few observations pertaining to the family allowances act.

Mr. FULTON: Hear, hear!

Mr. MICHAUD: First, may I emphasize once more the beneficial scope of this most important piece of social legislation.

Mr. FULTON: Hear, hear!

Mr. MICHAUD: It should be pointed out, however, that most countries with a civilization comparable to our own provide legislation of this type. According to a pamphlet released before the 1945 election, family allowances have been granted in some thirty countries, and in New Zealand more particularly, for over 20 years.

In the course of my remarks, I wish to stress what I consider a gap in the allowance act and respectfully beg the government to improve this piece of legislation at the very first opportunity. Since the end of the war, the government has had to deal with a mass

of extremely important problems entailing much lengthier sessions than those which were held formerly. For that reason, I feel it may well be excused for not yet having considered the improvements which I shall suggest and for which large families all over the country are clamouring.

I hope, however, that during the next year or two, when sessions will have resumed their normal duration, the government will find time to investigate with care the possibility of readjusting the monthly allowance grant.

The provision of the act which I now take the liberty of criticizing is that which I shall call the unexplainable decreasing rate, applied from the fifth child on.

I have not delved into the operation of family allowance legislation in other countries, but according to an article written by Father Léon Lebel, chaplain of the Catholic Farmers Union, and which appeared in the May 23, 1945 issue of *Terre de chez-nous*, the decreasing rate is found in no other country.

Legislators and economists of all nations agree that the first children born in any family are least in need of assistance since their parents are generally in a position to provide for them, in part, at least. In most cases, however, their means prove to be altogether inadequate from the fourth or the fifth child on.

I know that during the 1944 debates it was said that the expenses are heavier for the first children of a large family, and it is probably so, to a certain extent. That might be a sound argument if the allowances were sufficiently high to cover all the expenses incurred in raising a child. However, that is not the purpose of the act, and nobody ever upheld the contrary. The allowances are not meant to cover all expenses, but to help needy parents. That is why, prior to January 1, 1947, people earning $3,000 did not receive any family allowances. At present, the small wage-earners benefit more from those allowances, and those earning in excess of $3,000 only draw a small measure of assistance from them.

It is therefore evident that they are meant to help those in the lower income brackets. If so, logically the allowance should be based on the parents' income and not on the expenses entailed in raising a child. In the light of that principle, which in my opinion is irrefutable, let us examine the operation of the act in its present form. The father of four children under sixteen receives the maximum amount of allowances.

Mr. KNIGHT: What is the hon. member reading? Are you reading your speech?

Mr. MARTIN: He is following his notes.

[Mr. Michaud.]

Mr. MICHAUD: I am following my notes. No one can deny that the proper upbringing of children costs parents far more than the family allowance they are granted.

(Text):

The DEPUTY CHAIRMAN: Order. I believe the hon. member will recall that his honour the Speaker requested all hon. members to refrain from reading their speeches. I would call the hon. member's attention to that fact.

Mr. MICHAUD: I know the rule is here, but it is seldom enforced. I do not see why I should be singled out, among so many others.

Mr. KNOWLES: It has been enforced since the budget debate.

Mr. MICHAUD: Oh, I beg your pardon.

The DEPUTY CHAIRMAN: When the point is brought to the attention of the Chairman, or to that of his honour the Speaker, attention must be called to the rule.

Mr. MICHAUD: I am doing it to save time. I could throw these notes aside and go ahead, just the same.

Mr. MacNICOL: I would suggest that you do that. It looks far better than to see a man reading his speech. You would make a better speech if you did not read it.

(Translation):

Mr. MICHAUD: I was saying, Mr. Chairman, that from the fifth child on, there is a monthly decrease of $1, which represents $12 a year, in the family allowance grant.

A $2 reduction applies to the sixth and seventh children, bringing the allowance down to $3 a month or $36 a year.

From the eighth child on, the monthly allowance is reduced to $2, representing a $24 yearly payment.

As I said a while ago, family allowance grants cover but a trifling part of the cost entailed by the upbringing of a child. Let us assume, by making a reasonable and generous estimate, that raising a child costs at least $100 more than the family allowance grant. In any case, allowances do not even pay for the milk which is only part of a child's diet.

It is true that, for income tax purposes, the taxpayer may deduct from his taxable income the sum of $100 for each child under 16; such a concession, however, provides no more than a $20 yearly reduction. So that for the fourth child the budget and allowances mean an aid of $80 at the most, while for the eighth child, it is less than $44.

Hon. members who very kindly requested me not to read my speech will hardly be the gainers, for I am now bound to take up twice as much time and talk forty minutes instead of twenty. But they have wished it and, since you have so ruled, Mr. Chairman, I shall keep up at this rate.

This decreasing rate is clearly ridiculous. No wonder it is not found in any other country. On the other hand several countries have adopted an increasing rate or its equivalent. In some countries, allowances are granted only for a second or third child, on the assumption that parents are able to support a small family. Only when they have many mouths to feed do they require government assistance. In Belgium, for instance, in addition to birth allowances, 170 francs a month are granted in respect of a first or second child, 230 francs for a third, 300 francs for a fourth, and 430 francs for a fifth or more, up to age 18.

May I quote in this connection from an article on Quebec and family allowances which appeared in the magazine *America* for April 13, 1946, under the signature of M. E. L. Chicanot, a Montreal publicist. This is what he writes:

> Assuming that family allowances were introduced for the purpose of relieving families of the increasing burden placed upon them by the coming of each new child, and indirectly for the purpose of promoting a higher birth-rate, a particularly odd feature of this new federal legislation is the decreasing rate of the allowance.
>
> Canada seems to be the only country, among a number who have implemented family allowance plans, where this regressive rate is in effect It is in stark contrast with the family allowances recently reintroduced in Russia, where payments start with the third child only, but progressively increase, up to the eleventh, after which they remain stationary and at a level which nevertheless appears extremely high.
>
> The plan recently introduced in Great Britain excludes the first child and provides a weekly allowance of about $1.12 for each additional child. Australia, which, not so long ago, raised its payments from 80 cents to around $1.20, pays that sum for each child also, from the second on.
>
> As Canada must, in the future, rely on natural increase rather than immigration to solve her man-power problems, it is not out of reason to believe that family allowances have been devised so as to raise the birth-rate among the Anglo-Saxons, without giving undue encouragement to Quebec.

The statement that the children after the fifth cost less to bring up than the others has very little real value in the light of a somewhat realistic analysis of the situation. Here again, I refer the hon. members who desire information on the matter to the authoritative article I mentioned a while ago, written by Rev. Father LeBel.

Thank God, there are still, in Canada, people whose lofty sentiments and Christian spirit are carried to such a degree that they do not raise any obstacle to the natural transmission of life. God be praised that there are still among us numberless people who feel that a large family is a title of nobility of which they may be justly proud. These good people, instead of being ridiculed, as often happens in certain quarters, should be brought, with due honour, to the attention of their fellow-citizens. They should be given public credit and encouraged by tangible tokens of esteem, in the form of a more generous grant on the part of the state.

We all know that most of the greatest figures of history belonged to large families. Unfortunately, I do not have, at hand, a complete list of these eminent personalities, but only a few notes haphazardly jotted down. In the excellent periodical *Relations*, Father Louis Lévesque, director of the Rimouski seminary, gives us, in an article reproduced from the *Centre Saint-Germain*, very probant figures in connection with large families. Father Lévesque points out that of forty-two seminarists attending the Rimouski seminary last year, thirty belonged to families of at least ten children. Besides, a director of a religious community, who does not identify himself, states that out of 120 youths, 79 come from families of nine children.

Finally, the director of another religious institution, the Chicoutimi seminary, I believe, points out that:

> The development of vocations to the priesthood or the religious life requires favourable surroundings where a Christian spirit prevails. Statistics seem to prove, moreover, that, in point of fact, vocations ripen only in large families...

In another paragraph, the director states that:

> In the Chicoutimi diocese, most of those who answered the calling came from large families. . . . In fact, might it not be said that large families are almost the exclusive source of vocations to the priesthood and to the religious life?

Around 1930, the Saint-Vincent-de-Paul Society, while visiting needy families in Hull in order to bring them relief, made a survey of the number of children found in the assisted families. According to these figures, there were 5 families of 9 children, 6 of 7 children, 53 of one child and 52 without children; this seems to indicate that large families are not always among the poorest. This also shows that, as a general rule, virtue is rather the prerogative of large families.

Finally, here is an article which appeared in the Winnipeg *Free Press*:

(Text):

Large vs. Small Families

One of the reasons given by sociologists and economists for the smaller families of today is that many parents do not believe they can afford to rear the lusty broods which were the rule, rather than the exception, of Victorian times. Modern parents look narrowly at the costs of education and of launching their children successfully into the world.

Contrary evidence is given by an eminent savant, Professor Ernest Barker of Oxford and Cambridge.

I am not going to quote his lengthy statement but the conclusion of the article in the Winnipeg *Free Press* is this:

Is it the fact, after all, that the truly underprivileged are the children in small families?

(Translation):

Mr. Speaker, the house spends a great deal of time discussing immigration as a means of increasing the population of this vast country. Allow me to say that the soundest, surest and most economical way of peopling the country is to give free play to the vital forces of the nation.

We have spent millions in bringing from central Europe immigrants who, coming to Canada to amass a fortune, learned a useful trade among us and heaped up easily acquired capital only to return afterwards, as we saw recently, to their native country in order to further the expansion of a communist regime openly at war with our own. To my mind, we would have been wiser to assist our large families and thus prevent, to a great extent, infantile disease while checking the maternal death rate, sad factors by which in the past our people, more particularly poor families have been hard hit. In this manner, we would also have made the enjoyment of better health possible for those of our children who survived in spite of a system which was at times extremely cruel and barbarous. It is high time that we learned from the past and did everything in our power to help our citizens bear children and raise them. To my mind, it is extremely urgent to enact as soon as possible all the social legislation that was suggested at the 1945 dominion-provincial conference and has since been discussed by all our statesmen. I respectfully urge the government to introduce some legislation along those lines, even though it might not be possible to obtain the consent of all provinces. Social legislation of that kind could be of benefit to the less wealthy provinces which would see fit to take advantage of it, and some day, as happened in the case of old age pensions, the provinces will follow suit and avail themselves of the dominion's assistance because they will be compelled to do so by public opinion within their own boundaries.

To most people the decreasing rate can only mean that it is not highly desirable that a Canadian family should have more than four children, that the government does not care to encourage overmuch the raising of large families, that the eighth child, from the standpoint of human assets, is less valuable than his elders since his allowance represents only 40 per cent of theirs.

I am conscious of the fact that the government has never intended to approach the problem in such a brutal manner. Nevertheless, such is the logical and inevitable conclusion to which the principle of a decreasing rate is leading.

The younger children of large families will not fail, as soon as they come to realize it, to resent keenly the discrimination shown against them, and in my humble opinion, it will ever rankle in their minds.

This decreasing rate has no doubt been adopted on the ground of economy. In order to ascertain what actual saving it makes possible, I have taken the trouble to make some calculations based on the figures placed on *Hansard* by Hon. Mr. Claxton in 1946. Now, according to those figures, the elimination of the decreasing rate would only cost this country an additional sum of six million dollars. The cost would be increased by a similar amount if a progressive rate corresponding to the present decreasing rate were put into effect. An amount of six million dollars represents but 2·3 per cent of the moneys appropriated for family allowances, and three-tenths of 1 per cent of the total expenditures of the government for 1947. In my opinion, the difference is so small that this useless provision should never have been embodied in the act, and for that reason, I wish, in concluding, respectfully to urge the government to look as soon as possible into the matter I have just raised, that is the replacement of the present decreasing rate by a corresponding progressive rate.

Some hon. MEMBERS: Hear, hear.

Mr. MARTIN: Mr. Speaker, I wish to tender my most sincere congratulations to the hon. member on the speech he has just delivered, and I want to assure him that I shall consider seriously and with the greatest attention the remarks he has made tonight.

(Text):

Mr. FLEMING: There are several observations I wish to make on this item, but first I would ask the minister to be kind enough

to give me the expenditure on this item last year, and, first of all, the cost of administration.

Mr. MARTIN: The total expenditure last year for administration was $1,695,855.74, and the payments amounted to $245,140,531.59.

Mr. FLEMING: Will the minister state the expenditure on one item to be found on page 175 of the details for professional and special services, for which a total of $300,000 was appropriated last year?

Mr. MARTIN: The expenditure was $21,902.53.

Mr. FLEMING: I think the answer which the minister has just given is about as significant a reflection on the way in which these estimates are made up as any that we have heard so far, and we have heard of a number of remarkable instances in the review of the estimates of this department.

This item for professional and special services, for which the government asked and received an appropriation of $300,000 last year, represented certain contemplated expenditures in connection with seeing that the family allowance was properly devoted to the purpose for which it was intended. It will be noted that the actual expenditure, out of a total of $300,000 appropriated, was $21,902.53. Let no one say that that represents an attempt at rigid economy on the part of the administration, because it does not represent that at all. What it does represent is hopelessly inaccurate budgeting, which applies to the whole basis on which the government has prepared its estimates.

The government was well warned on this subject during a discussion of this item last year. You will recall, Mr. Chairman, that the discussion of this item occupied two evenings of the time of this committee. What came to our attention was this, that in the previous fiscal year 1945-46, which was not a complete year, a total of $5,995 was expended for this purpose. When we came to consider the estimate of $300,000, submitted by the predecessor of the present Minister of Health and Welfare, we found that in the two months of the fiscal year 1946-47, which had passed at the time the estimate was under review, a total of $5,000 had been spent on this item. The minister was seeking to justify an estimate of no less than $295,000 for the remaining ten months of the fiscal year, and members from all parties sitting in opposition in this house rose and expressed themselves in quite strong terms about an item which had so little in fact to justify so large an amount asked for by the government. I remember undertaking to make a suggestion as to what actually was justified on the strength of the information given to the house, and I will take the liberty of referring to the statement as recorded in *Hansard*, because the predecessor of the present minister took me to task for presuming to offer so low a calculation of what would be justified in this particular item. At pages 3009 and 3010 of *Hansard* of last year, I am reported as having said:

> May I say with all possible emphasis that the case made out today in substantiation of an estimate of $300,000 is a case which, on examination, will not justify the expenditure of more than $25,000 or $50,000.

The minister then followed and put on a great show of indignation at the idea of having so small an amount offered in lieu of the $300,000 which he was asking from the house, and he said, as reported at page 3010 of *Hansard*:

> To set down a lesser sum than $300,000 would be misleading.

After twelve months of the fiscal year in operation, we find that a total of $21,902 was expended, so that even I was too high in my estimate of $25,000. I do not hold the present minister personally responsible for what, I think, was an imposition perpetrated by his predecessor on the committee of the whole in respect of this item, but I do say that the whole government shares the collective responsibility for perpetrating an imposition of that kind on the committee, and it leaves us all, I believe, feeling that we cannot approach the consideration of the estimates of the government with any degree of confidence at all when we find such a hopelessly inaccurate budgeting going on as is illustrated in this item.

Mr. NICHOLSON: Is the minister going to reply to the hon. gentleman before I speak?

Mr. MARTIN: I have already replied to the hon. member. I am not criticizing him for making the observations he has. He has made them several times during the estimates and I am not criticizing him for doing so. I can only say in reply that my predecessor, whose magnificient contribution to this department is one that is well recognized, was naturally placed in a difficult position, with regard to this major division of the department. With no experience on which to rely, where his estimates had to be necessarily based on conjecture, it is no faulty admission to say that the estimates in this particular instance were greatly exaggerated. It does not mean, however, that the money was wastefully spent, because to the extent of the extent of the excess there was no expenditure. It was an overestimate, and was partly extenuated, how-

ever, by the fact that agreements with certain provinces in respect of projected investigational work were not completed.

The estimate this year has been reduced by $150,000, and I have no doubt that I shall be placed in the position either of having underestimated this time or of having overestimated to some extent. It simply is not possible to calculate to the mathematical degree of accuracy on which the hon. gentleman seems to insist. I can only say that experience is a great teacher, and in this new department, which is doing an extremely important welfare job from day to day, we are learning how to improve our methods and, I trust, our calculations.

Mr. FLEMING: May I follow up the minister's remarks with this observation. He has just told us that a total of $21,902 was spent last year and he is now asking for an appropriation of $150,000 for the current fiscal year. Of the amount budgeted last year, seven per cent was required in the light of the facts, in spite of the warnings which were given to the then minister when these estimates were before the house, and to which he would not listen. The minister has to justify not the decrease he speaks of as $150,000; what he has to justify now is an increase from $21,900 to $150,000.

Mr. MARTIN: Would the hon. member like me to do that now?

Mr. FLEMING: I invite the minister to do it when I have finished. Last year, when his predecessor was before the committee he had agreements with three provinces, Nova Scotia, Manitoba and New Brunswick, under which agreements those provinces were undertaking to make investigations and submit reports with respect to the way in which family allowances were being used by the recipients; and as to the other provinces he indicated that he was not going to neglect the work of investigation there. It was not represented as a case of waiting until he made agreements with them before requiring the money to make investigations in them. The matter of entering into agreements with the provinces was simply, as he represented it to the house, a different means of conducting investigations instead of having them conducted directly by the employees of this department. The mere entering into additional agreements does not, of itself, justify increased appropriations. I think the committee will welcome some attempt on the part of the minister to justify an increase in the appropriation from $21,000 to $150,000, which is 750 per cent.

[Mr. Martin.]

Mr. MARTIN: In Nova Scotia we have an agreement. The current monthly rate is $1,050. The total estimate is $12,600. In New Brunswick likewise, where we have an agreement, the total estimate for four months of 1946-47 is $2,860 and the total is $10,000. In Prince Edward Island there is no agreement. The investigations have been done to date by the departmental staff. Negotiations are currently under way with Prince Edward Island, which until recently had no established child welfare authority or staff on a full-time basis trained to do the work we have in mind. The amount estimated is $2,000. In Quebec, where there is as yet no agreement, the investigation to date is being carried on by our own staff in the absence of an arrangement with that province. No arrangement is possible with the Quebec government at the moment, since it is thought that the government has no organized child welfare authority in the sense envisaged by the department's policy. It is expected in the course of the year we shall be able to make arrangements with certain selected private agencies. The total estimate is $15,000. In Ontario, where we now have an agreement, nothing was paid in 1946-47. The estimate for April, 1947, was $350, which was actually paid, and for May, 1947, $855. The agreement made in 1947, with partial accounts just coming in, would indicate that the monthly total will rise to $3,000, the total estimate in Ontario being $36,000. In Manitoba, where we have an agreement, made in 1946, the total cost for part of the year only is $690, with an estimated total of $3,600. In Saskatchewan no agreement has as yet been made. The estimate there, through whatever agency we do carry on our investigational programme, governmental or otherwise, is $3,600. In Alberta, where there is as yet no agreement, for certain reasons, the total estimate is $3,600. In British Columbia, where we have an agreement, the expenditure for eight months in 1946-47 was $3,020. The estimate there for the year is $6,000.

Administration cases, fees paid to individuals or agencies for handling trust accounts of families when the allowance has to be taken from the parent and turned over to a trustee for administration; the yearly administration fee is $20 per case, totalling about 500, or an estimate of $10,000.

Then we are pressed because we are spending a great deal of money. I may say that in spending $260,000,000, to spend this amount on important investigational work is certainly the kind of expenditure which undoubtedly the committee will approve. To carry out the consistency of the investigational work, we have in mind surveys of cer-

tain families' spending patterns, surveys of consumer expenditure, surveys of budgets of families. Being of opinion that these surveys are essential if we are to make sure of wise expenditures, we estimate that such a survey in Saskatchewan, where we have a plan which is actually being currently prosecuted, will cost $15,000; in Nova Scotia, $2,500; several others that we plan total $17,500, making an estimated total of $35,000. Legal fees for prosecutions which may have to take place, $10,000; miscellaneous services, $2,600; total $150,000. That is an estimate made of our work for the ensuing year. I hope it will be adequate. If it is an overestimate, it will be a kind of error that is perfectly natural. However I doubt very much if it will be proven to be an overestimate.

Mr. WRIGHT: I think we can be particularly pleased with this estimate, and with the fact that the minister has not deemed it necessary to use all the money which was asked for last year in this estimate. It indicates what many of us expected would take place with regard to these family allowances, namely, that they are being used for the purpose for which they are being granted.

Mr. MARTIN: Hear, hear.

Mr. WRIGHT: A great many people in the country made a great deal about this at the time family allowances came in. Some of our hon. friends to my right were apparently disappointed that there is not more money required for investigational work. That it has not been required is, I think, a good sign. On what basis are the agreements with the provinces? Are they on the basis of cases handled, or are the provinces paid on a flat rate?

Mr. MARTIN: Fee for service, $5, flat rate.

Mr. WRIGHT: Would the minister give the agreements with the various provinces?

Mr. MARTIN: Yes. I thank the hon. gentleman for his observations which I think are helpful and to the point. As yet there have been no prosecutions in connection with the misuse of funds or improper receipt of funds by parent applicants. That is something which this country has every reason to be proud of, and is something which we should not hesitate to note with great emphasis. The agreement with Nova Scotia is dated November 23, 1945, for one year, $5 per case, with a guarantee of $1,050 a month. This was extended for a further period of one year by P.C. 102. The agreement with Manitoba is dated February 20, 1946, running for one year, effective January 1, 1946. The agreement provides for a payment of $5 per case reported. This has been extended indefinitely. The agreement with British Columbia is dated January 29, 1946, running for one year, effective January 1 of that year; it is likewise at $5 per case reported, and the agreement is extended indefinitely. The agreement with Ontario is dated January 16 of this year, and is for an indefinite period commencing January 1, and at $5 per case reported. In New Brunswick, in addition to the agreement with the province, agreements were made directly with welfare agencies. The agreement covers a period of one year from November 1, 1946.

Mr. WRIGHT: In cases where agreements are made with the provinces, does the dominion make the advance to the provinces, or do the provinces ask for the right to carry on the work?

Mr. MARTIN: We do both, really.

Mr. WRIGHT: At the present time are there any other provinces with which the department is negotiating for the carrying on of this work?

Mr. MARTIN: Yes. We are actually negotiating with Prince Edward Island.

Mr. WRIGHT: Has Saskatchewan not made some application?

Mr. MARTIN: Yes. My hon. friend is correct in that. He will have noticed that I have been saying "stand" to his question on the order paper, and I made some reply the other day which, I was told by one of my good friends, meant nothing. But I could not do any more than that. I wanted to be fair to the objective which the hon. gentleman had in mind and yet meet the purpose properly. I can only say that the matter is now under careful review, and I hope to be able to make a statement in the not too distant future.

Mr. FULTON: I wish to refer to the subject of agreements with the provinces respecting various investigational work on family allowances, and to ask the minister whether it would be possible to go farther along those lines and have the provinces do more of the work in the administration of family allowances. I asked a question to that effect on February 24, as reported on page 707 of *Hansard* of this year, as follows:

> Was any attempt made to have the provinces administer family allowances, or make family allowances payments, through their existing provincial public and private welfare agencies?

The answer to that question was no, and the reasons were given in a subsequent paragraph of the answer to the effect that the Family Allowances Act itself provided for

the Department of National Health and Welfare to have sole responsibility for and charge over the administration of the act. I asked further questions as to the cost by provinces of administering family allowances. In a return dated February 27, the information was provided for the three years, 1945-46, 1946-47 and an estimate for the year 1947-48. The round figures for 1946-47 showed the total cost to the dominion government of administering family allowances to be $3,737,169; and it is estimated that in the next year that cost will rise to $3,881,415, or a total of nearly $4,000,000.

There are, I think, several considerations which were urged that, so far as possible, the administration of family allowances be decentralized by virtue of agreements made with the provinces. In the first place, of course, they already have existing social services, the provincial governments' social and welfare agencies. In addition, there are numerous private welfare and social agencies already in the field, who have accumulated a great deal of experience, both administrative and theoretical. It seems to me that these services could do the job, I will not say more efficiently, but certainly more efficiently at first, because they have the experience. Moreover, if they were used it would not be necessary for the dominion government to set up a complete staff of its own, so that duplication could be avoided. In the second place, if one reads the annual report of the department for the year ended March 31, 1946, reference will be found to the reason it was necessary to increase the staff. Regional directors had to be appointed for a number of the provinces. A further difficulty was found in getting accommodation. I should like to refer to the report itself, at page 77:

> As at the end of the fiscal year, accommodation in Toronto and Halifax was however still unsuitable, and efforts were being continued by the Department of Public Works to obtain better space.

There you have proof that the question of accommodation is costing the dominion government some money as well as some effort; and with the shortage of accommodation that exists at the moment, on its face it would appear to be inefficient for the federal government to set up its own staff, requiring an expenditure for their salaries as well as for office accommodation and the paying of rent, or the construction of further buildings. This also complicates the position as far as the provincial government agencies are concerned, because they are also short of office space, for which the dominion is now in competition with them.

[Mr. Fulton.]

Finally, as the minister himself has mentioned, agreements have been completed with the provinces for carrying out the investigational work. That is referred to at page 79 of the report. It appears that more provinces are being brought under the terms of these agreements; and if that can be done in this respect it seems to me that the possibility at least should be explored as to whether the provinces would be willing to carry out some of this work under the dominion department in so far as the administration and investigation of family allowance benefits are concerned. The fact is that some $4,000,000 is expended on administration costs alone; and while I am not saying that is too much, I am suggesting that it could be reduced by decentralizing the work in the provinces, and carrying it on in a more efficient manner. Would the minister care to comment on these suggestions?

Mr. MARTIN: I have no hesitation in saying, at the outset, that parliament has correctly decided that the administration shall rest with the body which pays out the money. I think that is a sound principle, and I know of no reason to suggest that we should change it. I believe it is wise to do what we are doing. I am sure my hon. friend will appreciate that the cost of family allowances has been remarkably low, when one considers that it represents about 1·6 per cent of the total expenditure. I think the committee has every reason to be pleased with the administration of family allowances by this government.

Mr. SMITH (Calgary West): Why?

Mr. MARTIN: Because of the very low cost. The figure 1·6 represents the cost, not only to this department, but to public works and finance as well. One-quarter of the cost is taken up by postage.

Mr. FLEMING: Would the minister give the figures?

Mr. MARTIN: Our own actual cost in the department is 0·8 per cent, and I feel that these figures should commend themselves to hon. gentlemen.

Mr. FULTON: In the course of my remarks I said I was not trying to suggest that the department was being inefficient or extravagant in its administration. My suggestion was that a change in the set-up might lower the cost; and the fact that it is already low does not alter the fact that it is costing nearly $4,000,000. If we could save only $2,000,000 of that I should think it would be well worth while. Admittedly, parliament passed the act and gave the

sole responsibility to the federal government; but on a reading of the debate at that time it is not easy to discover that any great consideration was given to the question I am now bringing forward. In this connection, as well as others, it seems to me that the administration as well as the investigational work should be left to the agency closest to the people concerned, which is certainly the municipal and provincial governments. I do not think it is any answer to say we are doing it for only $4,000,000 now, or $3,800,000. The committee should be shown whether it would be less expensive to do it in any other way. If it would be less expensive, then I think it should be done in that other way.

Mr. NICHOLSON: I had some critical remarks to make of the Department of National Health and Welfare, but at this stage I might tell the minister this legislation is very popular with the people in all parts of Canada, certainly with those in my part of the country. Since the act was passed, I have had only two letters in connection with family allowance problems. In one case the parents had failed to register the births of their children, and I shall refer to the second case in just a moment. Only today I had personal proof of the efficiency of this department. It is not yet a month since our older daughter became sixteen; yet when the cheque arrived at home today it was $8 less than formerly. I was hoping that there might have been a mistake in attending to these matters, but when they are adjusted so quickly, and when hon. members have had so few complaints, I gather that this is an efficiently operated branch.

Mr. SMITH (Calgary West): You would not have taken the money, anyway.

Mr. MARTIN: It would work just as quickly the other way if you should have another child.

Mr. NICHOLSON: I have a letter from the Canadian Legion at Kelvington, Saskatchewan, concerning a case I should like to bring to the attention of the minister. The secretary of the branch writes as follows:

> The above-named was married in England during the year 1943 and his wife arrived in Canada about a year ago. At the time of the marriage Mrs. — had two sons ages five and eleven years and the sons remained in the family and came over to Canada last year. Application was made for family allowance on behalf of these children but same was refused apparently under section 2 of the Family Allowance Act which requires three years residence in Canada before being registered.

I find that section 2 makes provision for children who are born while the father or mother was a member of the naval, military or air forces of Canada, or within twelve months after the father or mother ceased to be a member of the forces. It is obvious that when the act was passed we did not have in mind cases such as these. The secretary of the legion goes on to say:

> The position is that these children had received dependants' allowances from the Canadian government during residence in England after the marriage of the veteran and it was no fault of theirs that they were not in Canada immediately after marriage and in this manner establish the residence to qualify. It appears to me that the children would be discriminated against as compared with Canadian children if they do not receive the allowance and it is hard to believe that stepchildren acquired by a soldier by marriage overseas should not be considered Canadian children, especially when they were unable to come to this country until after the war was over.

I wrote the minister in connection with this case about a month and a half ago, but he has not had an opportunity to reply. I do not imagine there are many in this category, but it seemed to me that the Canadian Legion made a reasonable request when they asked that children in this category should be eligible for the benefits of family allowances. Could the minister make a statement?

Mr. SMITH (Calgary West): I have had similar letters.

Mr. MARTIN: There are few cases in this category; I think it is a diminishing problem. I understand that the children to whom the hon. gentleman refers were born in England of English parents; is that right?

Mr. NICHOLSON: The mother was married before, and the children are now aged five and eleven years. This soldier was married in England in 1943. If the children had been permitted to come to Canada they would have had three years residence and would now qualify. However, they have been here for only about a year.

Mr. MARTIN: I cannot add anything to what I have said.

Mr. NICHOLSON: I understand that other hon. members have heard of similar circumstances. Can the minister indicate whether it will be possible to make any change in that respect?

Mr. MARTIN: I can only say the act does not permit it.

Mr. SHAW: I should like to add my voice to what has been said by the hon. member for Mackenzie. I have discovered a number of cases where members of the Royal Air Force married Canadian girls. They were

determined from the start to establish permanent residence here. In a number of cases the wives did proceed to England to join their husbands during the remainder of their periods of service. While they were resident in England, children were born. Immediately following discharge from service, those families returned to Canada and established residence here. Those children are, of course, not eligible for family allowance, and will not be for some time. I feel that so far as servicemen are concerned, and more particularly because there cannot be very many of these cases, special provision should be made for them. After all, they are now residents of Canada, and will become citizens. We are just as vitally concerned about their welfare as about that of those who were born here. I would urge that favourable consideration be given to this type of case.

I understood the hon. member for Kamloops to advocate that the administration of family allowances be handed over to certain non-governmental agencies.

Mr. FULTON: No, I did not.

Mr. SHAW: Then I misunderstood the hon. member. That is the last thing I should like to see happen, because I can visualize scores of problems cropping up if that were done. If I misunderstood the hon. member I shall not pursue the matter farther.

Mr. KNOWLES: A short time ago the minister made reference to surveys of family expenditures, family budgets and that sort of thing. From the way he put it, I was not sure whether these were surveys to be made entirely in the future, or whether in part—

Mr. MARTIN: Those in Saskatchewan and Nova Scotia are current.

Mr. KNOWLES: I am glad to hear that these surveys are being made. It seems to me that the information obtained can be most useful, both from the point of view of looking objectively at the family allowances picture and also with a view to further development in the field of social security. Are any reports on these surveys available, and, if not, when they are completed will they be made available? How and where can we get them?

Mr. MARTIN: They are not available now, but I should hope that by August they will be.

Mr. HERRIDGE: In fairness to the department, I should say a word to compliment the department on its work in connection with the administration of family allowances. I cannot agree with what was said by the hon. member for Kamloops. I believe the cost of the administration of family allowances is remarkably low, much lower indeed than many people anticipated when the bill was passed.

In my experience I have never had a single complaint from my constituents regarding the administration of family allowances. I have travelled around the country and have asked the mothers and fathers of families for their opinions with respect to family allowances, and concerning the benefits they receive; because on some occasions one hears about moneys being expended on things which would not be in the interests of the children. I am sure, from my personal observations, that by far the greater part of the money is of great value to the people receiving it, and that the children benefit thereby.

Mr. FLEMING: The minister referred to the cost of administration, and included the costs accruing through other interested departments, namely those of public works and finance. Will he give the figures for the three departments, so that we can compare them with those of the previous year?

Mr. MARTIN: I made a return on that point some time ago. Did the hon. member not see it?

Mr. FLEMING: No.

Mr. MARTIN: Those for the Department of Public Works for 1946-47 were approximately $151,009. In the Department of Finance the expenditures concerned the office of the comptroller of the treasury, and amounted to $1,929,535.45. Then, I have given the figures for this department.

Mr. FLEMING: Last year the minister was good enough at my request to place on *Hansard* three tables containing some exceedingly interesting and valuable information on the subject.

Mr. MARTIN: I have them here, and I shall place them on the record.

(See following pages for tables)

Mr. KNOWLES: The details as set out at page 175 of the estimates list the salaries of four regional directors of family allowances at $4,200, $3,810, $3,690 and $2,790.

Mr. MARTIN: The amounts are paid according to the size of the office and the job to be done.

Mr. KNOWLES: Even so, it seems to me that, in view of the responsibilities devolving upon a regional director in any area, a salary of $2,790 is scarcely adequate.

Mr. MARTIN: There are only about 12,000 accounts in that area.

Mr. KNOWLES: What is the district?

Mr. MARTIN: Prince Edward Island.

Mr. MacNICOL: Are the parents who receive family allowances payments obliged to spend the money on the children?

Mr. MARTIN: That is the intention of the act.

Mr. MacNICOL: I know of several instances, one of which concerns a merchant who has three children. His income is sufficient without the family allowances payments, so that instead of using the money now for the children, he puts it in the bank. I asked him why he did that, and he told me that when they reach the age of sixteen years each will have a little nest-egg for purposes of education. Apparently the parents are not obliged to spend the money at once. Is there any objection to their saving it in that way?

Mr. MARTIN: No.

Item agreed to.

TREASURY OFFICE

DEPARTMENT OF NATIONAL HEALTH AND WELFARE
FAMILY ALLOWANCES DIVISION

STATISTICS BASED ON MAY, 1947, FAMILY ALLOWANCES PAYMENTS

Province	Number of families	Number of children	Average allowance per child	Average allowance per family	Total amount
			$ cts.	$ cts.	$
Prince Edward Island	12,386	31,390	5 94	15 05	186,361
Nova Scotia	84,782	197,705	5 96	13 90	1,178,618
New Brunswick	65,858	169,552	5 87	15 13	996,174
Quebec	452,178	1,241,185	5 90	16 20	7,324,663
Ontario	533,943	1,063,655	6 00	11 96	6,385,548
Manitoba	98,272	204,665	6 01	12 52	1,230,638
Saskatchewan	113,685	257,145	6 02	13 61	1,547,468
Alberta	116,182	250,392	6 01	12 95	1,504,142
British Columbia	128,995	245,725	5 92	11 27	1,454,142
Northwest Territories and Yukon	2,805	6,235	5 88	13 08	36,696
Total	1,609,086	3,667,649	5 95	13 57	21,844,450

NOTE: N. W. T. and Y. adjustments amounting to $21,342 not included above.

FAMILY ALLOWANCES PAYMENTS
Fiscal Year 1947-48

Province	April	May	Total 1947-48	Total 1946-47	Total 1945-46	Cumulative total to date
	$	$	$	$	$	$
Prince Edward Island	185,801	186,361	372,162	2,194,372	1,620,561	4,187,095
Nova Scotia	1,171,702	1,178,618	2,350,320	13,416,762	9,547,995	25,315,077
New Brunswick	995,236	996,174	1,991,410	11,402,915	8,123,483	21,517,808
Quebec	7,212,032	7,324,663	14,536,695	82,614,860	57,978,816	155,130,371
Ontario	6,359,396	6,385,548	12,744,944	70,628,176	49,421,887	132,795,007
Manitoba	1,227,147	1,230,638	2,457,785	14,052,301	9,932,787	26,442,873
Saskatchewan	1,541,863	1,547,468	3,089,331	18,129,468	13,210,097	34,428,986
Alberta	1,497,925	1,504,142	3,002,067	17,186,896	12,300,428	32,489,391
British Columbia	1,441,184	1,454,142	2,895,326	15,743,010	10,719,729	29,358,065
Northwest Territories and Yukon	37,512	58,038	95,550	332,924	169,675	598,149
Totals	21,669,798	21,865,792	43,535,590	245,701,684	173,025,458	462,262,732

FAMILY ALLOWANCES PAYMENTS

Fiscal Year 1946-47

Province	April	May	June	July	August	September	October	November	December	January	February	March	Total 1946-47
Prince Edward Island	181,187	180,672	181,149	181,793	181,645	182,975	184,410	184,168	184,276	180,495	186,234	185,368	2,194,372
Novs Scotia	1,087,512	1,087,522	1,091,034	1,096,774	1,100,561	1,105,552	1,106,145	1,119,741	1,131,079	1,150,022	1,169,384	1,171,436	13,416,762
New Brunswick	923,652	925,856	930,193	932,094	940,328	943,484	942,188	952,595	958,711	974,579	988,515	990,720	11,402,915
Quebec	6,765,204	6,764,992	6,706,662	6,730,388	6,783,822	6,828,111	6,837,031	6,838,185	6,918,180	7,077,877	7,169,137	7,195,361	82,614,860
Ontario	5,639,651	5,681,433	5,670,179	5,717,747	5,741,291	5,767,673	5,807,050	5,859,271	5,941,309	6,184,126	6,274,704	6,343,706	70,628,176
Manitoba	1,139,630	1,142,923	1,144,715	1,148,522	1,157,731	1,147,457	1,151,108	1,173,285	1,183,520	1,213,011	1,217,075	1,233,324	14,052,301
Saskatchewan	1,491,291	1,492,853	1,494,690	1,504,715	1,506,895	1,504,113	1,500,764	1,505,900	1,511,376	1,528,045	1,540,233	1,548,593	18,129,468
Alberta	1,392,683	1,392,942	1,391,911	1,406,640	1,420,553	1,395,992	1,420,596	1,439,937	1,456,608	1,481,346	1,492,631	1,495,057	17,186,896
British Columbia	1,237,544	1,243,172	1,247,526	1,263,799	1,273,667	1,285,142	1,291,142	1,316,763	1,336,878	1,395,965	1,419,723	1,431,689	15,743,010
Northwest Territories and Yukon	35,613	22,249	23,017	23,340	23,658	23,729	25,950	26,560	29,217	29,929	33,968	35,694	332,924
Totals	19,893,967	19,934,614	19,881,076	20,005,812	20,130,151	20,184,228	20,266,384	20,416,405	20,651,154	21,215,305	21,491,640	21,630,948	245,701,684

NOTE: 1. Figures shown are gross and do not include payments subsequently cancelled or refunds received in connection with overpayments.
2. The difference in totals for 1946 in this statement as compared to previous statements is due to retroactive adjustments during 1946-47.

FAMILY ALLOWANCES PAYMENTS

July, 1945 to March 31, 1947, inclusive

Province	July 1945	August 1945	September 1945	October 1945	November 1945	December 1945	January 1946	February 1946	March 1946	Total 1945-46
	$	$	$	$	$	$	$	$	$	$
Prince Edward Island	177,058	179,762	180,247	180,724	180,308	181,099	179,550	180,806	181,007	1,620,561
Nova Scotia	921,333	1,021,837	1,107,919	1,065,667	1,068,959	1,111,203	1,080,260	1,082,918	1,087,899	9,547,995
New Brunswick	849,136	874,203	897,267	914,078	909,118	916,995	919,077	920,454	923,155	8,123,483
Quebec	5,948,309	5,782,627	6,589,206	6,160,887	6,724,978	6,955,275	6,660,314	6,523,020	6,634,200	57,978,816
Ontario	4,836,416	5,415,149	5,358,240	5,584,078	5,652,496	5,609,906	5,642,421	5,650,451	5,672,760	49,421,917
Manitoba	1,029,982	1,080,122	1,126,609	1,103,908	1,110,192	1,120,667	1,115,086	1,126,125	1,120,206	9,932,897
Saskatchewan	1,397,838	1,450,335	1,458,178	1,470,796	1,477,010	1,478,397	1,482,050	1,506,504	1,488,989	13,210,097
Alberta	1,298,084	1,328,773	1,390,950	1,367,858	1,372,094	1,382,068	1,384,339	1,394,192	1,391,070	12,309,428
British Columbia	1,111,778	1,152,554	1,176,939	1,187,474	1,201,657	1,212,207	1,215,289	1,230,527	1,231,304	10,719,729
North West Territories and Yukon	.....	9,137	21,958	15,502	25,787	30,795	23,220	20,762	22,683	169,844
Totals	17,569,934	18,294,499	19,307,513	19,050,972	19,722,599	19,998,612	19,701,606	19,635,759	19,753,273	173,034,767

NOTE.—Figures shown are gross and do not include payments subsequently cancelled or refunds subsequently received in connection with overpayments.

Welfare branch—
Old age pensions (including pensions to the blind)—
230. Administration, $54,006.

Mr. FLEMING: What are the figures with respect to expenditures?

Mr. MARTIN: The estimate for 1946-47 was $53,695. The expenditures were $50,563.97, and the unliquidated commitments, $461.70.

Mr. FLEMING: What are the payments—

Mr. KNOWLES: I thought I had the floor.

Mr. FLEMING: Will the minister answer, first, as to the actual amount expended last year in connection with the payment of the dominion's share of pensions?

Mr. KNOWLES: I should like to ask, in connection with the administration of old age pensions, whether it can be arranged during the discussion of the bill before the house to have a discussion with respect to the new regulations.

Mr. MARTIN: Yes, on the bill.

Mr. KNOWLES: Then it would not be necessary to have that discussion now.

Mr. MARTIN: It can be done on the bill.

Mr. KNOWLES: The minister is sure of that?

Mr. MARTIN: Yes, under section 19 of the bill.

Mr. FLEMING: What are the figures?

Mr. MARTIN: Estimates 1946-47, payment, $34,538,200; expenditures, $35,927,510.16, plus the demobilization figure which will come later.

Mr. BROOKS: On previous occasions it has been intimated in the house that there is another class of people who should be considered, and I refer to those who are helpless. I have a letter from a young man in my constituency who asks if anything will be done for young people in his condition. He is paralysed; he is absolutely helpless and lives on a farm with his brother who has a large family. There is nothing that he can do; he is of no help to anyone and is actually a burden on his own people. This parliament should take into consideration people in that condition.

The minister will probably say that it is the responsibility of the provincial governments, but we know that provincial governments are not looking after these people who are helpless and cannot look after themselves. We know the municipalities are not looking after them. Something should be done for these people. This young man wrote in January and said that in the previous March he noticed in a Winnipeg paper where the present Minister of National Defence, (Mr. Claxton) had said a study of this matter was being made. Is a study being made of the means whereby the many people in this country who are absolutely helpless can be given the protection of the country just the same as the helpless blind and the helpless old people?

Mr. MARTIN: This is a matter very close to my heart. The hon. gentleman will recall that one of the dominion government's proposals had to do with crippled children and handicapped persons. In the Department of Veterans Affairs some considerable work so far as veterans is concerned has been done under a gentleman who is himself handicapped, a gallant soldier, Major Dunlop. I am very happy to make reference to Major Dunlop whom I have known since I was a young lad. Then in the Department of Labour work in connection with the handicapped is being prosecuted with serious attention by Mr. Hudson under the present Minister of Labour.

With regard to the study referred to by my hon. friend, I have established in my department a sort of seminar to review this problem, and we have been reviewing it now for several months in order to get a proper perspective of the matter in all its implications and it has wide implications. Major Dunlop, Mr. Hudson and others from the national welfare council have been sitting in and giving us the benefit of their views on this matter.

My hon. friend will understand that a system of disability benefits depends in many ways upon and is attached to pensions for the aged, unemployment insurance and particularly health insurance. All those social schemes fit into the pattern. The problem is one which deserves not only serious but continuous study and it is receiving that.

Mr. BROOKS: This young man is not asking for any hand-out. He says if he were taught to fix radios or watches he could make his own living and be independent. I imagine the study the minister is making is along those lines?

Mr. MARTIN: Yes. It is perfectly amazing what can be done. As Minister of National Health and Welfare, I should like to say a word to industry. I know of one plant where 400 handicapped individuals are given work, some being blind and others with varying disabilities. This was done as

a result of persuasion by the provincial authorities, Mr. Hudson and Major Dunlop. The suggestion was made that they take these people on. I have seen them working doing jobs on machines which normally one would think were too dangerous for handicapped persons to operate. This industry reports tremendous efficiency on the part of the individual.

I have no hesitation in taking up one or two minutes of the time of the committee so that my words may reach out elsewhere. I urge employers to recognize that they have here an avenue, of which they perhaps are not fully cognizant, by which they can render a great public service. I thank the hon. gentleman for bringing the matter to my attention.

Mr. BROOKS: We shall have to have something more practical.

Mr. MacINNIS: The hon. member for Royal has just said that we shall have to have something more practical than what the minister has suggested, and with that I agree. I do not think it is sufficient to say that this matter is receiving study and that it will continue to receive study. That is the chief trouble; it will continue to receive study and nothing will be done. What is required is some action that will meet the desperate needs of the situation. That action will require some sort of national social security programme which will take care of every individual who is deprived of the ability to take care of himself.

Every hon. member knows of hundreds of cases of people in need through no fault of their own. There are many women who stay at home to take care of an aged mother or some other member of the family and who later find themselves deprived of the ability to earn a living. When I was home at Easter I was talking to a woman who had taken care of her father who was in receipt of a pension. The father died; the pension stopped, and this woman who does not know how to do anything else is just as helpless as a person of sixty-five or seventy years. Many times the situation is complicated by ill health. I suggest that we should agitate for a social security programme to take care of all people deprived of the ability of earning income for themselves. We cannot deal with this matter piecemeal by asking employers to take these people on their payrolls.

Mr. MARTIN: I do not suggest that.

Mr. MacINNIS: Employers will take them on at the present time because of a scarcity of other labour, but in a few years there may not be such a scarcity and employers, no matter how charitable they may be, know they cannot run their businesses on charity.

Mr. MARTIN: It should not be considered a charity.

Mr. MacINNIS: I know, but we must consider human nature. I think I know how employers will act, no matter how they feel. It is not a matter of choice with them. Every person who can do any kind of work should be given an opportunity to work, because congenial work will make a life which has many disadvantages at least somewhat better. I suggest to hon. members that, regardless of our political affiliations, we should put our minds to working out a social security programme which will take care of every person in Canada who is not able to take care of himself.

Mr. MARTIN: I would point out that we are on old age pensions.

The CHAIRMAN: It occurs to me that the debate is going a little beyond the item.

Mr. MacINNIS: I thought myself I was out of order.

Mr. FLEMING: Will there be a supplementary appropriation?

Mr. MARTIN: No. That is a statutory item.

Mr. FLEMING: In consequence of the adoption of the bill and the increase in pension that goes with it, will there be an increase in the cost of administration?

Mr. MARTIN: There may be. We shall deal with that when we come to the bill.

Item agreed to.

Welfare branch—
National physical fitness—administration—
231. Assistance to provinces, $47,866.

Mr. FLEMING: What was the expenditure?

Mr. MARTIN: The estimated expenditure for 1946-47 was $50,000, and the actual expenditure, $27,489.24; unliquidated commitments, $5,892.77.

Mr. FLEMING: What is the explanation of the increase in the cost of administration? The figures just given by the minister indicate that $33,000 was required last year, and it is now proposed to increase that to something like $48,000. It is worth observing that there is no contribution by way of assistance to the provinces contemplated this year. What occasions so substantial an increase, about fifty per cent, in the cost of administration?

Mr. MARTIN: There is enough money in the fund to do the very thing my hon. friend has in mind. It is a fund provided by a statute, the Physical Fitness Act.

Mr. FLEMING: That does not explain why the cost of administration is going up fifty per cent.

Mr. MARTIN: It is not going up; it is going down.

Mr. FLEMING: The minister has just given us figures indicating that the cost of administration last year was $33,000, and this year he is asking $48,000, or about fifty per cent more. What is the justification for the increase?

Mr. MARTIN: The director was away for six months and certain projects were not undertaken.

Mr. TIMMINS: Is there a director now?

Mr. MARTIN: No.

Mr. TIMMINS: I read in the paper a week ago that the former director is now employed in the United States.

Mr. MARTIN: By the united nations.

Mr. TIMMINS: Have we no director now?

Mr. MARTIN: At the moment, no. We have an assistant director and we are looking for a director. I hope that those responsible for his selection will pick one for the position with the highest qualifications. There is no sense in appointing somebody just for the sake of appointing.

Mr. TIMMINS: What coordination is there with the provinces?

Mr. MARTIN: The coordinating body is in the national council of physical fitness, on which there is a representative from each province. They meet in Ottawa. Their members are appointed by the governor in council for a period of one, two or three years and are eligible for reappointment at the expiration of their term. They constitute the coordinating agency.

Mr. TIMMINS: When did they last meet, and how often do they meet?

Mr. MARTIN: They met in February last. They meet twice a year.

Mr. FLEMING: I am not satisfied with the explanation given by the minister for the increase. In the previous fiscal year the expenditures for this council were actually less than they were last year, even with the director off for part of the year. The expenditures in the fiscal year 1945-46 were $31,524.45, and the expenditures were approximately the same last year. Why should there be an increase of fifty per cent now?

Mr. MARTIN: We have added the position of assistant director. If my hon. friend wants the details I can give them. The increase in salaries amounts to $5,134. The amount of $18,809 covers the salaries of the national director, the assistant director, a technical assistant to the director, and stenographic staff. The increase is due to the creation of a new position of assistant director as well as the consolidation of cost of living bonus with salaries, and statutory increases. My hon. friend will note that there is a decrease in other pay-list items; a decrease in educational and informational publicity, in telephones, telegrams and postage and in professional and special services. There is no change in the equipment item. There is an increase of $2,000 for materials and supply. This division requires reference to resource material for routine work. None has been required to date, but it is expected that $1,500 will be spent for that purpose. There is no change in the item for transportation and travelling expenses.

Mr. FLEMING: Is it necessary to have an assistant director as well as a director?

Mr. MARTIN: The assistant director is a woman. It is a good thing we have an assistant director because we have no director.

Mr. FLEMING: If the assistant director is managing efficiently without a director, do you need a director?

Mr. MARTIN: She is a woman in charge of women's work, but at the present time she is doing the director's work as well. My hon. friend should be the first to commend us for this.

Mr. FLEMING: I would commend the minister any time he puts a woman in a place where she can do both a woman's work and a man's work efficiently. Apparently this good lady is able to look after both the women's side and the men's side without the necessity of a director being appointed. Why have two people if this good lady can do it all? While the minister is pondering his reply—

Mr. MARTIN: I am not pondering. I have made my reply.

Mr. FLEMING: May I ask about the distribution of grants during the past fiscal year? Are we down now to five provinces that are receiving grants? I understand that last year only five provinces shared: Prince Edward Island, Nova Scotia, Manitoba, Alberta and British Columbia. Why did Saskatchewan not share last year? Are any of the other provinces giving any indication of being interested in joining the scheme?

Mr. MARTIN: Saskatchewan did share to the extent of $17,545.75.

Mr. FLEMING: That does not answer the question. I asked about the other provinces.

Mr. MARTIN: I will give that right away. It is not necessary for the hon. gentleman to make a speech every time.

Mr. FLEMING: Just answer the question.

Mr. MARTIN: I am trying to get a little air, but the hon. gentleman will not give me a chance. The amounts are these: Prince Edward Island, $2,635.49; Nova Scotia, $12,-486.48. New Brunswick does not participate.

Mr. KNOWLES: No sense.

Mr. MARTIN: I would not say New Brunswick has no sense, nor will I say that the hon. gentleman has no sense.

Mr. KNOWLES: Same to you.

Mr. MARTIN: I did not say you had no sense. New Brunswick is a great province. Quebec does not participate. Ontario, for reasons best known to itself, has not seen fit to participate. They have a programme of their own.

Mr. KNOWLES: That is a foreign country.

Mr. MARTIN: On estimates one does not want to make a political observation, and I refrain from saying anything in that regard. In the case of Manitoba the amount is $7,-784.92; in Alberta it is $15,515.61; and in British Columbia it is $32,031.50.

Mr. GREEN: Has any step been taken to help the civilian handicapped, who have made representations?

Mr. MARTIN: We have just dealt with that. We are on another item.

Mr. GREEN: Was there a discussion with regard to them?

Mr. MARTIN: Yes. The hon. member can speak to me later about it.

Item agreed to.

Welfare branch—

232. Assistance to schools of social work, $50,000.

Mr. KNOWLES: Would the minister give details regarding this reduction. It sounds as though assistance to schools of social work is a matter of growing importance, and I hope the reduction from $100,000 to $50,000 is not because of the kind of criticism this department got last year from a certain section.

Mr. MARTIN: I do not disagree with what the hon. gentleman is saying now. I cannot say what the situation will be when the supplementaries come in, and he can draw whatever conclusion he likes as to my desires in that matter, but I feel that this is a work we must certainly continue to support and I hope we shall be able to do so beyond this figure. When the supplementaries come in we shall see whether or not I have been successful in the presentation of my views.

Mr. KNOWLES: To what schools will this money go?

Mr. FLEMING: And the amounts.

Mr. MARTIN: The amounts paid last year were as follows: to the maritime school of social work, $3,600; school of social service work, Laval university, $5,800; school of social service work, university of Montreal, $7,500; school of social service work, McGill university, $8,700; school of social service work, university of Toronto, $10,800; school of social service work, university of Manitoba, $5,000; school of social service work, British Columbia, $8,600. These represent scholarships. For administration of the various schools I have mentioned—I will not name them again—the amounts are $3,500; $5,200; $6,700; $7,800; $9,600; $4,600; $7,700.

Mr. KNOWLES: Is the reduction due to decreases in these various grants or to the elimination of some schools that received grants last year?

Mr. MARTIN: Decreases.

Mr. KNOWLES: Are they more or less the same across the board?

Mr. MARTIN: They are proportionate.

Mr. FLEMING: What do these grants amount to in the aggregate?

Mr. MARTIN: $50,000 and $45,000 last year?

Mr. FLEMING: Before we pass from this item, I wish to direct a remark at the hon. member for Winnipeg North Centre and to try to put him right on a perfectly silly observation he made a moment ago.

Mr. MARTIN: Could you do it on somebody else's item?

Mr. FLEMING: No. I will turn my attention now from the minister and devote some of it to the hon. gentleman to my left. He made a perfectly silly remark when he suggested that we in the official opposition did not approve this particular item last year. As a matter of fact we did. We asked the minister of that day to give an accounting of how he proposed to use the $100,000 for which he was asking. We are interested now to get the details. I do not think that when it comes to sound measures that will contribute to the well-being of the people of this

country, through social work, training of social workers, or in any other way, we have anything to learn from our socialist friends to the left who make such silly remarks.

Mr. KNOWLES: May I express my thanks to the hon. gentleman for the lecture.

Mr. FLEMING: He is welcome to it. He can have more any time.

Mr. SMITH (Calgary West): Before the item carries, may I say that the hon. member for Winnipeg North Centre was patting his own back as having opposed it. We did not.

Item agreed to.

Miscellaneous grants—
236. Canadian National Institute for the Blind, $18,000.

Mr. MacNICOL: This vote is one of the very best that this house passes, and the work that results from it has a considerable effect on the nation. A few moments ago when the question of handicapped people was under consideration it came to my mind that the Canadian National Institute for the Blind is doing a splendid job in training the blind. I have visited their place several times. I went with their employment man to factories in Toronto in which the blind have been placed. Trained by the institute in their own little shops around their place, they are afterwards placed in factories where they are producing wonderful results. They are giving an example of active cooperation in the training of the handicapped, for there is no greater handicap than blindness. I am heartily in favour of the vote and only wish it were more.

Item agreed to.

Miscellaneous grants—
241. Victorian Order of Nurses, $13,100.

Mr. LENNARD: When this item was up last session and the session before, when the estimates of the previous minister were under consideration, I had something to say about the Victorian Order of Nurses, and I urged the then minister to consider the question of increasing the amount for the national office of this worthy organization. The Victorian Order provides a service for all, regardless of race, creed or financial status, and meets the needs of those patients who cannot afford a nursing service. There are 103 branches scattered across the country, and the order is supported by fees from patients, fees from insurance companies for service to policy holders, and municipality and township grants, and from additional moneymaking efforts on the part of local boards. The national office is also supported by government grants, interest on endowment funds and subscriptions.

The service has so expanded over the last few years that the national office finds itself in an embarrassing position. According to the last financial statement, the following deficits were recorded: in 1944, a deficit of $12,772.12; in 1945, a deficit of $42,575.38; and in 1946, a deficit of $46,576.27. This is not a very comforting position. These deficits have had to be covered by expenditure of capital, thus depleting one of the main sources of operating revenue.

There are some 450 nurses, and of the 103 branches, twenty-nine have been organized during the last ten years since this grant was given in 1934. The number of patients served during 1945 was 100,118; the number of visits made during the same year was 756,984. Of these, fifty per cent were free and eighteen per cent partly paid. The federal grant of $13,100 per annum was first set up in 1934. But since that grant was set up, the services have increased by some thirty-eight or thirty-nine per cent, in the last ten years. Revenues have been consistently reduced by declining interest rates and more especially by depletion of capital funds to cover operating deficits. Expenses have increased sharply with expansion of service, and it has been necessary, since 1934, to offer scholarships and uniform allowances totalling in excess of $70,000 to attempt to maintain and build up a force of skilled public health nurses to ensure an efficient and adequate nursing service throughout Canada.

I am not too familiar with the background of this grant of $13,100 set up in the estimates, but if it was considered in 1934 to be a fair grant, then certainly a greater amount should be granted today, having regard to the increased services rendered and the increased costs of operation. The national office has increased its activities through the expansion of the order to such an extent that, as I have intimated, it is going behind every year. Through the necessity of expanding the services, increased expenditures have been necessary to get the properly trained nurses. This amount should be greatly increased.

Before taking my seat, I should like to pay tribute to a great Canadian woman in the person of Miss Elizabeth Smellie, C.B.E., who for many years served as chief superintendent of the Victorian Order of Nurses, and was wartime leader of the Canadian army nursing services. It is doubtful if any Canadian woman, contemporary or otherwise, has contributed more to her country and whose name and record are of more national renown.

Has the minister the information as to just how this amount was set up in 1934 or whenever it was granted?

Mr. MARTIN: I shall be glad to give that information. But, first, I should like to say a few words in addition to what has been said by the hon. gentleman about Miss Smellie. A month ago, at the Prime Minister's request, I was asked to attend a function in her honour, and on behalf of the government and the people of Canada to pay a tribute to Miss Smellie who had completed twenty-five years of great work in that organization. As Minister of National Health and Welfare, it is only proper that I should pay tribute to the untiring efforts of a great Canadian woman, who has achieved so much.

The grant to this organization in the period 1914-15 to 1922-23 was $5,000; from 1923-24 to 1931-32 the grant was $10,000. In the period 1923 to 1934 the grant was reduced to $9,000; and in 1935, a significant date, it was increased to $13,100.

Mr. LENNARD: On what basis was that increase made? Why was it set at that figure?

Mr. MARTIN: I was not in office then. My hon. friends were. I do not really want to put it in that way. We were not in office at that time, and I could hardly be held accountable for the policy of another government, representing another political party. But I suppose it was because those were difficult days when reductions in expenditure were the order of the day. I suppose it was part of the then government's policy to curtail. I can offer no other reason.

Mr. LENNARD: The amount was set in 1935. The minister's administration set that $13,100, and my question is this: why was it set at that figure at that time?

Mr. MARTIN: I suppose it was because that was conceived to be the extent to which the administration was prepared to go with regard to assistance. It represented a considerable increase, and I suppose every $100 would count.

Mr. LENNARD: Was it because of the size of the order or the amount of money they required each year; that is, the amount of their budget for the year?

Mr. MARTIN: No. It was the figure set.

Mr. LENNARD: In other words, the minister has not that information.

Mr. MARTIN: I cannot say why it was $13,100, but I suppose the minister of the day who made representations to his colleagues determined, in the light of all other grants, that it was a fair amount to give.

Mr. LENNARD: Then, owing to the increased services which are being rendered today, I would urge that the minister take into serious consideration helping this worthy order in proportion to the increase in their activities. I do not ask that he do it now, but, say in the next year.

Mr. MARTIN: I shall be glad to give serious consideration to that.

Mr. CASE: How is this $13,100 apportioned or expended?

Mr. MARTIN: It is given to the national office.

Mr. CASE: It is just given direct to the national office?

Mr. MARTIN: Yes.

Item agreed to.

Miscellaneous grants—

243. Canadian Red Cross Society, $10,000.

Mr. FLEMING: Before we leave this group, I take it that the amounts appropriated last year were all paid over to these organizations exactly as appropriated, the total being $105,650. Is that correct?

Mr. MARTIN: Yes.

Mr. FLEMING: Will the minister give the committee the expenditures in the welfare branch corresponding to the total of $286,890,780 in the estimates?

Mr. MARTIN: For what?

Mr. FLEMING: Will the minister give the actual expenditure corresponding to that total in the estimates of last year? Will he give the total for the welfare side of the department?

Mr. MARTIN: We have given that.

Mr. FLEMING: The minister did not give the total.

Mr. MARTIN: Yes, we did.

Mr. FLEMING: I am sorry, but the minister did not give the total of expenditures on the welfare side of the department corresponding to the estimate of $286,890,780.

Mr. MARTIN: May we go on to the next item, and I will give you that later?

Mr. FLEMING: This is the last item.

Mr. MARTIN: We will give it to you now in that case.

Item agreed to.

Demobilization and reconversion—
553. Old age pensions and pensions to the blind, $10,450,000.

Mr. KNOWLES: I take it that this is just the item to cover the amount of old age pensions provided by order in council?

Mr. MARTIN: Yes.

Item agreed to.

Demobilization and reconversion—
554. Treatment of Canadian fishermen and seamen, $10,000.

Mr. ARCHIBALD: I should like to bring up a point under this item. Last year I dealt with the Canada Shipping Act. Under that act if a man goes out on a boat and winds up sick so that he cannot get back to his home port in the same ship, he cannot get treatment. In other words, if a boat were to sink and a man were hurt in the process, in some way or another that boat would have to be dragged up again to take the man back to his home port in order that he might get treatment. I want to bring this matter to the attention of the minister so that he may be able to help in overhauling the Canada Shipping Act to straighten this up.

Mr. MARTIN: I shall look into it.

Item agreed to.

Demobilization and reconversion—
556. Treatment of repatriated merchant seamen, $2,000.

Mr. BRYCE: Does this apply only to sailors from ships registered within the British commonwealth of nations?

Mr. MARTIN: No, it is to provide treatment for seamen on vessels of any of the allied nations who find themselves in Canada needing such treatment and who are not otherwise entitled to it.

Mr. BRYCE: Is this what applies to distressed seamen?

Mr. MARTIN: Yes; it is a war measure.

Mr. BRYCE: Of all countries in the world?

Mr. MARTIN: Allied nations.

Mr. BRYCE: Only allied nations?

Mr. MARTIN: Yes.

Mr. BRYCE: Is there any treatment for the others?

Mr. MARTIN: This was a war measure, and we were not anxious to help the enemy, as I know the hon. gentleman will appreciate.

Mr. BRYCE: But I want to be clear about this. There is a law in this country, as there is in all countries of the world, regarding distressed seamen who are stranded away from home. Which item do those fellows come under, please?

Mr. MARTIN: This is for all allied seamen.

Mr. BRYCE: Which item deals with distressed seamen away from home?

Mr. MARTIN: We passed that three nights ago.

Mr. BRYCE: Which item was it?

Mr. MARTIN: Do you mind if I point it out to you later? I cannot recall it offhand.

Mr. BRYCE: I don't think I am getting a fair answer, Mr. Chairman.

Mr. MARTIN: We dealt with that matter, but I cannot remember the number of the item. It has to do with the treatment of sick mariners.

Mr. BRYCE: If I stood up and annoyed the minister repeatedly, perhaps I would get more consideration.

Mr. MARTIN: May I tell the hon. gentleman he could not annoy anybody.

Mr. FULTON: Is that a compliment or an insult?

Mr. MARTIN: A compliment, definitely. I do not want to incur my hon. friend's displeasure, because he is a gentleman. Does he understand?

Mr. BRYCE: You do not need to say those nice things to me. I am only asking a question in the ordinary way of my duty in this house. I am asking you about distressed seamen, and you wave me aside and say it has been passed.

Mr. MARTIN: Well, we did pass it. I can only call attention to the rule which says we must deal with the item under consideration.

Mr. BRYCE: That is all right; I will get the information in some other way.

Item agreed to.

Demobilization and reconversion—
559. Grant to Canadian nurses' association, $46,525.

Mr. LENNARD: I am not opposed to this increase, but could the minister tell me the reason for it?

Mr. MARTIN: This item is to cover the amount required for the fiscal year 1947-48 toward the completion of training of those students nurses who had enrolled prior to August 15, 1945, under the project launched in 1942 to increase the supply of nurses in Canada because of the shortage created by war. It is expected that the project will be finally completed in 1948.

Mr. LENNARD: I would call attention to the large sums which I mentioned as being granted to the Victorian Order of Nurses for practically the same work, to assist in the training of nurses during the past several years.

Mr. MARTIN: I think, on reflection, the hon. member will quite agree that the work is entirely different.

Mr. LENNARD: The Victorian Order are all trained nurses, are they not?

Mr. MARTIN: Yes, but it is quite different.

Mr. LENNARD: They have to receive that training, and it has to be paid for?

Mr. MARTIN: Yes.

Mr. FLEMING: There are two questions in regard to this item. First, what was the total expenditure last year on these items, the actual expenditure; and, second, I take it that this is the last year we shall be having demobilization and reconversion items under this department, and that these items arise in all cases from orders in council?

Mr. MARTIN: I think that is likely the case.

Mr. FLEMING: That is not a very satisfactory answer.

Mr. MARTIN: Well, I am no seer. It look as though this item will be liquidated this year, but I want to give an honest answer and that is the only answer any honest man can give. In regard to the grants to the nurses' association, the amount estimated last year was $25,535—

Mr. FLEMING: No, I am speaking of the total; I need not trouble the minister for the details. What was the total expenditure corresponding with the estimate last year of $10,158,760?

Mr. MARTIN: The expenditure was $283,-064,172; and unliquidated, $47,525.58.

Mr. FLEMING: The minister is on the wrong question. He has gone back to something I asked a short time ago. The present question is, what was the total expenditure in 1946-47 corresponding to the total estimated expenditure on page 74 of the estimates, which is given as $10,158,760?

Mr. MARTIN: Repeat your question. The information I have just given is in reply to the question you put a while ago. What is the question now, please?

Mr. FLEMING: I shall be glad to have the information with respect to the other question, too, if the minister will give it.

Mr. MARTIN: You are asking for the expenditure corresponding to the estimate of $10,634,000; is that it?

Mr. FLEMING: No, the estimate of $10,-158,760.

Mr. MARTIN: It was $9,702,984.39.

Mr. FLEMING: The minister was to answer a question I asked earlier, just to complete the record. He was to give the unliquidated commitment under items for publicity and information in all branches of the department. He gave the actual expenditure last year as $278,326.84.

Mr. MARTIN: The unliquidated commitments amount to $80,756.50.

Mr. FLEMING: Am I correct in inferring, then, that the actual expenditure last year, including commitments, on publicity and information in round figures was $295,000 and that this year the budget actually proposes an increase instead of a decrease, as was previously figured? This year you are estimating the expenditure of $390,000, which actually is an increase of about $100,000, not a decrease.

Mr. MARTIN: I did not hear one word you said; I am sorry.

Mr. FLEMING: I am sure that was not my fault.

Mr. MARTIN: No. It was no one's fault.

Mr. FLEMING: How far back must I go? This reminds me of a long-distance telephone conversation where you find, half-way through your conversation, that the line has been cut.

Mr. MARTIN: Do not go back too far.

Mr. FLEMING: I shall put it as briefly as I can. It comes down to this, that the actual expenditures, including unliquidated commitments, for the fiscal year ended 1946-47 on account of items for publicity and information in this department total approximately $297,000. The estimate for which the minister is asking this year is $390,000. Actually he is asking for an increase over last year's expenditures, of about $100,000, not a decrease of $180,000, as was assumed at the beginning.

Mr. MARTIN: The actual expenditures were $278,326.84. The unliquidated commitments were $80,000, making a total of $358,000.

Mr. FLEMING: Then the minister is still budgeting for an increase of $32,000 in expenditure on this item this year.

Mr. MARTIN: I did promise that at the close of these estimates I would leave a place at which the hon. member for Queens could

speak. His remarks were not relevant before, but we shall be generous and say that they are at this time.

Mr. McLURE: I am glad the minister has come to the end of a perfect day. I should have asked the question when we were discussing item 229. I have in mind a child born in Gibraltar. The mother was and is a Canadian citizen. The father was an English soldier who served six years in the air force, two years of which were spent in Canada. They are now residing in and residents of Canada. Is the child eligible for family allowances?

Mr. MARTIN: I am sorry it is not.

Mr. McLURE: Why?

Mr. MARTIN: Three years residence is required under the act.

Item agreed to.

Mr. MARTIN: Mr. Chairman, may I thank the committee for its consideration. Last year I was Secretary of State and brought before the committee estimates which were not as voluminous. I believe the committee will appreciate that this year they have been much more voluminous. The committee did give me every consideration, for which I am grateful.

Mr. MacNICOL: Courtesy always counts.

DEPARTMENT OF PUBLIC WORKS

279. Departmental administration, $227,019.

Mr. ISNOR: Mr. Chairman, living as I do in Halifax, a long distance from Ottawa, I generally have to stay here most of the time. In view of the fact, however, that in the near future an event is to take place in Halifax, I may have to travel home more frequently. Before doing so, I should like to take this opportunity to say a few words with respect to public works.

Mr. CASE: You should get home in time to vote, at any rate.

Mr. ISNOR: With that in mind, I wish to bring to the attention of the Minister of Public Works various projects which I have placed before him from time to time, because I believe they are important not only to Halifax but to the fishing industry of Nova Scotia. I refer to such items as breakwaters, wharves and causeways which affect the work of fishermen in our province. I do not expect a complete answer this evening, but I would ask his officials to give these items the careful consideration which I believe they deserve.

[Mr. Martin.]

Mr. BROOKS: Will the hon. member include the Halifax-Dartmouth tunnel?

Mr. ISNOR: I have listened to the hon. member for Royal on more than one occasion interrupt me when I have been speaking about matters relating to Halifax, concerning which he has shown very little knowledge. On this occasion I do not propose to deal with such interruptions.

Mr. BROOKS: I have a pretty clear knowledge as to why these items are to be discussed now.

Mr. ISNOR: I have no intention of entering into any controversy on any foolish subject which might be raised in an effort to draw me away from what I have in mind.

Mr. CASE: Save it for the hustings.

Mr. ISNOR: I have brought the attention of the Minister of Public Works to projects which we really require.

Mr. BROOKS: You have needed them for a long time.

Mr. ISNOR: As I said before, I do not mention these matters because of the event hon. members opposite have in mind. I have discussed them repeatedly.

Mr. BROOKS: And you have got nowhere with them.

Mr. ISNOR: I have been successful in getting a number of them, but naturally there are others which are just as urgent. First, I shall draw the minister's attention to the very important item of dredging. One cannot very well sail in or out of some of these fishing coves without the proper depth of water. From time to time they fill up and require dredging. I have in mind, first, Herring Cove, a well known fishing district in Halifax county. Then, on more than one occasion I have brought Eastern Passage to the minister's attention. It has been slowly losing its fishing industry because the fishermen cannot leave or enter that point with the degree of safety which is required. Then, I would mention Paul's Point, another well known fishing centre; and also the beautiful spot with the lovely name of Modesty Cove.

Mr. CASE: Did you say "honesty"?

Mr. ISNOR: I could take hon. members to that point and they would agree with me as to its beauty. They would, I am sure, join with me in urging that my request be given every consideration.

Mr. MERRITT: Is this a list of deficiencies of the government?

Mr. ISNOR: The hon. member made his speech in Halifax a few nights ago. While he must realize it was not well received, still I hope he enjoyed his trip to Halifax and will come back again some time after July 14. It may do him no harm, and we will try to make his return visit as interesting as we did the last one.

Mr. CASTLEDEN: On a point of order, do we not discuss dredging under item 306?

Mr. ISNOR: I know the hon. member does not want to be too careful about these items. We are dealing with administration and you cannot carry out any particular item without the proper administration. Therefore I feel quite justified in dealing with this and other matters.

The second matter I wish to deal with is the need of breakwaters. This is closely connected with the fishing industry, because you cannot give the fishermen in these fishing communities protection for their boats without breakwaters.

Mr. HARKNESS: Did the hon. member say "votes" or "boats".

Mr. ISNOR: Boats.

Mr. FRASER: He said fishing for votes.

Mr. CASTLEDEN: For fish or suckers.

Mr. ISNOR: The hon. member of the official opposition made a kindly reference, not at all like the one just used by the other hon. member.

In connection with breakwaters, I am going to refer to some definite places. Ketch Harbour is a well known fishing district and a breakwater is required there. One is required also at Little Harbour and also at Portuguese Cove. Then I would mention Upper Prospect, Mosher Cove, Smiley's Point, Herring Cove, Meagher's Point and Paul's Point.

Mr. SMITH (Calgary West): Are those places all in the county of Halifax?

Mr. ISNOR: A breakwater is also required at Devil's Island. I should like to deal in more particular with Devil's Island. I do not propose to go over it fully again, but previously I brought this matter to the attention of the Minister of Public Works. On August 10, 1946, I referred at some length to Devil's Island and the need of the inhabitants for protection. As I pointed out, it is almost impossible to leave the island at times without this protection and they have been unable to procure medical aid when it was badly needed. I want the minister to bear this Devil's Island project in mind and perhaps he will tell me what has been done in the way of surveys and so on.

A large number of wharf repairs are required and it is readily understood why these repairs are needed at the present time. During the war we were told that economy was the policy and the necessary repairs were not carried out to a number of these wharves. I would mention Baker's Point, Dover East, Dover West, Owl's Head, Ship Harbour, Upper Prospect, Shad Bay, Ostrea Lake and Ketch Harbour.

Mr. KNOWLES: Do not miss any coves.

Mr. ISNOR: That is a short list but they are all fishing villages. The hon. member for Winnipeg North Centre and those who come from inland places are not familiar with the needs of these fishermen.

Mr. KNOWLES: Four generations on that coast; I know all about it.

Mr. FULTON: On a point of order, I should like to ask whether these matters should not be discussed on the estimates of the chief electoral officer rather than those of the Department of Public Works?

Mr. ISNOR: I am afraid I shall have to call to my assistance the hon. member for Vancouver North to administer another spanking to the hon. member for Kamloops if he interrupts again in such a foolish manner.

Mr. McILRAITH: The last spanking was effective for a while.

Mr. ISNOR: Once again I want to carry on with the fishing industry.

Some hon. MEMBERS: Oh, oh.

Mr. BROOKS: What are you fishing for, Suckers?

Mr. MacINNIS: The season will be over on July 14.

Mr. ISNOR: My hon. friend asks if I am fishing for suckers. I want to tell him that we do not deal with that sort of thing in our fishing villages; we throw back the suckers, as we have no use for them. If the hon. member will come down to Halifax some time I will take him out through the fishing districts, and if he uses that sort of language he will not be welcome.

There is one piece of causeway construction which I am under the impression has been started already, but I want to make sure it will be carried through to completion. I refer to the causeway at Three Fathoms harbour. This is not the causeway in Halifax harbour referred to a little while ago by the hon. member for Royal. Then there are a few skidways required. These do not cost very much money and I know they will be con-

structed if I just bring them to the attention of the minister. One is needed at Duncan's Cove and one at Bald Rock.

There is one important matter I should like to refer to which was brought up a year or so ago in connection with the R.M.S. *Queen Elizabeth* and the reason why she left Halifax to sail to New York. Having the fine harbour that we have, I never could understand why it was necessary for the *Queen Elizabeth* to leave Halifax and turn toward New York. The reason given was that a southeast wind would endanger the ship. We never ask for anything in the way of dredging, but we do require a permanent breakwater at Mauger's Beach to provide the necessary protection from southeast winds. If the minister will be good enough to give us that breakwater we shall have without question the safest and finest harbour in North America and perhaps in the whole world.

Mr. PEARKES: It is just the Atlantic coast you are dealing with.

Mr. ISNOR: I will leave it to my hon. friend to deal with the Pacific coast. I doubt very much if the *Queen Elizabeth* could enter Vancouver harbour. Just think that over.

Mr. PEARKES: She could get into Nanaimo all right.

Mr. ISNOR: In connection with this breakwater at Mauger's Beach I remember receiving letters from the minister in February and March in which he stated that borings would be commenced in May. We are now into June and I should like to know if those borings have been commenced.

Mr. FLEMING: Was that back in the cold weather?

Mr. ISNOR: I ask the minister to make a note of that and let me know whether those borings have been started.

Now to satisfy the hon. member for Royal in regard to the Halifax-Dartmouth bridge, I hesitate to mention this because it might be said that I have an election in mind. If there is one thing I would not want the committee to think it is that such a thing is in my mind at the present time. However I do remember sitting in the Halifax forum in 1930 and seeing a large banner right across the back of the platform reading, "Elect R. B. Bennett and he will give you the Halifax-Dartmouth bridge." Mr. Bennett was speaking in Halifax at that time and he made that definite promise. I never make that kind of promise, but I do make strong appeals to the government of the day to do certain things. I do not make promises

[Mr. Isnor.]

Mr. CASE: You are not a leader yet.

Mr. ISNOR: And I am not likely to be, nor am I anxious to resume that responsibility, recognizing my shortcomings, but I am always ready to offer constructive thoughts, and I am asking the Minister of Public Works to consider the possibility of cooperating with the provincial government, the city of Halifax and the town of Dartmouth in regard to building a Halifax-Dartmouth bridge. I have written the deputy minister of public works in regard to the construction at Vancouver of the Second Narrows bridge, to which a federal contribution was made on June 24, 1925, and a further payment later. In all, the total commitment in connection with this bridge was $269,936. If that can be done on the west coast, are we not as good as the east coast? We feel that if it was found possible to help construct the Second Narrows bridge at Vancouver the department could assist in the construction of a similar bridge to connect Halifax and the enterprising town of Dartmouth on the east side of the harbour.

Mr. McLURE: On a point of order, Mr. Chairman, in view of the remarks of the hon. member I just wish to point out to you that we on this side will expect to have the advantage of a general discussion on this item.

Mr. ISNOR: I do not see any point of order in that, but I do not mind an interruption of that kind.

I should not like to resume my seat without extending thanks to the Minister of Public Works for some of the projects which he has carried out at Halifax during the past year.

Mr. FLEMING: Let us have a list of them.

Mr. ISNOR: I shall be glad to comply with the request of the hon. member and mention a few of them. I thank the Minister of Public Works for the sub-post office in Halifax North, an item for which is included in these estimates. We have been working for years for a sub-post office in Halifax North, which is one of the most important sections of the city of Halifax. I hope that the post office will be started this year.

Mr. BROOKS: If it took many years to get this post office, how long will it take to get all the other things for which the hon. member is asking?

Mr. ISNOR: I hope this will be started within the next three months.

Mr. MERRITT: What does the minister say?

Mr. ISNOR: I hope he will say that we can look forward to having the work started within

the next two or three months. If he says that he will carry it out; I know him well enough to believe he will do so. I would also thank him for the item in his estimates for the Halifax Armdale post office. That is also a sub-post office which is badly required in a very fine and growing district. Many hon. members know the district and I know it will serve the people in a proper manner.

While credit should go to the Department of Veterans Affairs, I want to thank the Minister of Public Works because his department is looking after the construction of the addition to Camp Hill hospital, to look after the needs of our ex-service men.

Mr. SMITH (Calgary West): Why not have a record made and sent down there?

Mr. ISNOR: The hon. member was down there and perhaps he left a record.

Mr. SMITH (Calgary West): It was the most hospitable place I was ever in.

Mr. ISNOR: That is the way we teach them to be down there. Through cooperation, we extend a welcome to all who visit Halifax.

Just one other thought in closing. I wish to refer to the retirement age of casual employees such as labourers, sweepers and helpers. You retire them at sixty-five as though they were enjoying civil service superannuation or a pension. These men are not particularly fitted for all types of work, but they can carry on their present work beyond the age of sixty-five in an efficient manner. It is the only kind of work they can do, and until such time as we bring in an old age pension bill to provide for that class of men at sixty-five, I believe that the department—and this applies to all departments—should permit these men to carry on their work at least until they are seventy years of age.

I wish to thank the minister and the members for allowing me to outline a few of the needs of my constituency, and I know I shall have the cooperation of all members in pressing the minister to provide these works at as early a date as possible.

Mr. CHURCH: I would ask the minister to have an investigation made of the heavy damages done by the floods at Toronto island to the breakwater. Many stores and houses, roads and yards were flooded. A return was ordered yesterday about this matter. Would the minister order a complete report on the federal breakwater at Wards, at Centre island and Gibraltar point on lake Ontario, and also answer the questions I raised just before six o'clock in regard to the parliament grounds, monuments and traffic here, and better care of the monuments and parking cars on roadways.

Mr. FOURNIER (Hull): If I recall what the hon. member said just before six o'clock he wanted me to undertake to move the monuments around the parliament buildings. We have no jurisdiction to do that. The grounds are under the care of the federal district commission, and I dare not touch those monuments or try to move them around.

As to the damage caused by floods at Toronto, after the hon. member came to see me I gave instructions to our engineer, Mr. Wilson, in Toronto, to make a survey of the breakwater and to report on any damage that took place there, and if this work comes under the jurisdiction of my department it will receive our best attention.

This afternoon the hon. member spoke about the circulation on parliament hill. The other day in answer to a question in the house I mentioned that some doubts had arisen about our jurisdiction under the act of 1931 concerning circulation on government properties. The act has been submitted to the justice department for their opinion, and if they find that we have not the necessary authority under the act we will certainly, not this session, but at another session, have an amendment made to the act.

I wish to thank the hon. member for Halifax for having begun his speech by stating that he would not ask me for definite answers to all the requests he had made. Indeed, I would be at a loss to make a definite statement with reference to each of these projects. The officials will have *Hansard* tomorrow or next week, and, as they do for every other member, they will give careful attention to any request made by the hon. member for Halifax.

Mr. MERRITT: This must be the first time that he has brought them forward.

Mr. FOURNIER (Hull): No; he has spoken to me about different projects before. I have received several visits from members on both sides of the house, and I try to be courteous and polite when they come to see me. I give instructions to my officials to do their best to give any help they can. I should like to add one more word in regard to Halifax. Last year, during the debate on my estimates, a question arose about the breakwater or wharf at Devil's island.

Mr. ISNOR: Protection work.

Mr. FOURNIER (Hull): Protection work at Devil's Island. Perhaps I was a little tired of the discussion and cut it rather short, but the hon. member for Halifax was kind enough to send me a book entitled "We Keep this Light," by Madame Richardson. He sent this to me after the session and I had much pleasure in reading it. I am interested in Devil's Island, but there are few people living there and the expenditure is so great that my officials hesitate before committing the department to the spending of such large amounts of money. However, the hon. member may rest assured that the request from Halifax will receive serious consideration, and I may say the same with reference to the request from any other member.

There is always a general discussion on the first item of a department on going into supply, namely, administration, and I agree that it is a good thing to have members state everything they wish to either in praise of the estimates or in criticism. But I suggest that if any hon. member wishes to discuss a specific item the proper procedure would be to wait until that item is called. I have no objection to a general discussion, but if anyone wishes to discuss breakwaters or public buildings I suggest that he should wait until the appropriate item comes up for discussion. That is the proper way to proceed.

Mr. CHURCH: The city of Toronto gets nothing, whatever, and yet it is the chief taxpaying city in the Dominion of Canada; there is hardly a dollar in the estimates of the Public Works Department for that city. We spent over $30 million of our civic money on Toronto harbour and grade separation. That is the only harbour in Canada on which there are two representatives of the government. There are three representatives of the city, and all the money spent by the harbour board is civic money, chargeable to real estate and paid for by the taxpayers of that city. I am very much worried as one of the representatives from that city. We have one post office from which the government gets $13 million. There is a federal breakwater at Toronto island for which the dominion government has accepted responsibility since confederation, but little money has been spent on it over the past thirty years. There are some 20,000 people living on the island in the summer and fewer in the winter, and it is in a deplorable condition. It is now flooded. Many people have lived there all winter in view of the shortage in city accommodation. There is one boat crossing the bay and it has to break the ice in the winter time. The cottages are now under water; the whole island is ruined by the flood, and the time has come for this government to send someone there and to announce a definite policy in connection with that island. The minister, I may say, came to our city on one occasion and we were glad to entertain him.

Mr. FOURNIER (Hull): More than once.

Mr. CHURCH: He was properly tendered a dinner and a luncheon by the city and the harbour board, and altogether he had a pleasant visit. I wish you had been there also, Mr. Chairman. He was out on the new harbour boat and inspected the harbour, and I do not think I am revealing any secrets when I say that we took him to Woodbine where he placed a few small bets, so that it was a profitable and enjoyable trip for him. I can assure him that a similar warm welcome awaits him the next time he comes. Whether he will do anything for us or not is another matter.

However, the other day I went over to the island and I saw for myself the condition there. I saw water on the main street and thousands of men, women and children have to live under those conditions. Some have to wear their top boots in water and all that sort of thing. One fellow selling bread had a hard time of it. The bread was all covered with water. The city has contributed nearly one-third of all income taxes received in the dominion, and I think it should get something in return. We have had no representative from the Toronto district in the federal cabinet since 1935, whereas we used to have four or five members in the cabinet. No wonder we do not get anything. Of course, to the victor belong the spoils, especially in this department, where it seems that has been the policy by all parties for many years past.

We did have a harbour board, and the city contributes a large part of the cost of reclaiming and rebuilding the waterfront. It bought it out and spent a large sum of money on the harbour and island. People can go to the island for the price of a streetcar ticket and it is the working man's summer resort. I hope the minister will visit the city again and look over that district.

The courts, I may say, are without space. The city bought 465 Bay street, the dominion building. The city hall is overcrowded, and the city bought this dominion building across the road. I urge upon the minister the importance of looking into this matter. It may not be in his department, and of course I appreciate the fact that he has a hard time in finding space. I do not want to worry him, but I think he should come to the city of Toronto and witness for himself the result the terrible storms have had on the island.

Mr. JAENICKE: I wish I were in the position of the hon. member for Halifax and could give thanks to the minister for having done something for my constituency and my province last year and for having made provision this year, but I am afraid my remarks will be critical because of the apparent discrimination in the distribution of the moneys to be voted for public works. The committee will note that there is a total of approximately $46 million to be voted to the minister's department, and about one-quarter of this is to be spent in the city of Ottawa. About half of the money is to be spent on two items, one classified as construction, repairs and improvement to public buildings, and the other as construction, repairs and improvements to harbours and rivers. In connection with these two items, the estimates are broken down into provinces, and I have taken the trouble of adding them up to show the committee just how this money, approximately half of the vote, is spent.

In connection with improvements to public buildings, Nova Scotia gets $112,500, and all this, by the way, is to be spent in Halifax. New Brunswick gets $131,000, and Prince Edward Island gets $50,000. Then there is another item of $200,000 to be divided between the three maritime provinces. So I have divided this $200,000 equally among those three provinces, and I find that Nova Scotia is to get $178,500; New Brunswick, $197,000, and Prince Edward Island, $116,000.

Mr. McGARRY: What do the farmers in the west get for wheat?

Mr. JAENICKE: I am coming to that. Now we come to the province of Quebec. They get $2,436,650. The province of Ontario gets $2,574,000. The province of Manitoba gets $403,000. The province of Saskatchewan gets $179,500. The province of Alberta gets $667,200, and the province of British Columbia gets $963,400.

When we come to the provision for harbours and rivers we find that Nova Scotia gets $4,716,600, out of a total of $4,895,100 for harbours, rivers and public buildings. For expenditure on rivers and harbours, New Brunswick gets $767,000, or a total, including expenditure on public buildings, of $964,600. Prince Edward Island gets an expenditure for harbours and rivers of $415,500, or a total expenditure of $531,500. Quebec gets, with respect to harbours and rivers, $3,556,500, or a total expenditure of $5,993,150 for public works in Quebec. Ontario gets, with respect to harbours and rivers, $4,017,000, or a total of public works expenditures of $6,591,000. Manitoba gets, with respect to harbours and rivers, $536,500, or a total expenditure on public works of $939,500. Saskatchewan and Alberta are lumped together with regard to harbours and rivers and they get $25,000 together. Saskatchewan gets an improvement of $70,000 at Waskesiu lake in the Prince Albert national park. So Saskatchewan will get in that respect $82,500, or a total expenditure of $262,000 for public works in that province for the coming year. Alberta gets only the $12,500 as far as rivers and harbour installations are concerned, or a total expenditure of $679,700. British Columbia's expenditure on harbours and rivers is $2,006,000, or a total expenditure of $2,969,400 on public works.

Mr. SINCLAIR (Vancouver North): Not nearly enough.

Mr. JAENICKE: Possibly it is not enough, but I should like the committee to consider the discrimination against the three western provinces and especially as against the province of Saskatchewan which gets a total expenditure of $262,000.

Mr. MacLEAN: What are you going to use it for?

Mr. JAENICKE: We will not enter into a debate on that just at the present time. I submit that in the province of Saskatchewan we have as many requests for public buildings and other things as hon. members have in any other province in Canada. I submit that this is discrimination and that it should not happen again. I looked up last year's estimates and the same thing happened then; it also happened the year before, I believe. I think the three western provinces are being discriminated against, and I protest.

The DEPUTY CHAIRMAN: Shall the item carry?

Mr. FOURNIER (Hull): Just a minute, Mr. Chairman; I cannot allow that statement to go unchallenged. The hon. member mentioned the figures for harbours and rivers for every province. Would he be ready to admit that in his province of Saskatchewan, or in Alberta, there is no seaside and there are no ports or large rivers where there is navigation?

Mr. JAENICKE: Yes, I admit that.

Mr. FOURNIER (Hull): Under these items we try to help along the seaboard at both coasts, on the St. Lawrence and on the great lakes. The hon. member says we spent more in Nova Scotia. That has been going on for years and there is a good reason for it. There is more coastline along the Nova Scotia

seaboard than in any other province in the dominion. Furthermore, in Nova Scotia more people depend for their livelihood on harbour facilities than in any other province in Canada. That is the explanation. No grain grower would think of dredging out in Manitoba except in lake Winnipeg. I will call as a witness one of my hon. friend's own colleagues, the hon. member for Selkirk, and ask him if we are not taking care of works which are needed to help the people out there? I like hon. members to be fair and not lead the country to believe that we are spending all our money in Nova Scotia and not spending money on dredging or building breakwaters or wharves in Saskatchewan. Where would we do it?

Mr. JAENICKE: That is why I divided the estimates.

Mr. FOURNIER (Hull): Yes, you divided them and then you added.

Mr. JAENICKE: What about public buildings?

Mr. FOURNIER (Hull): Compare public buildings with some other province. The hon. member himself says that we have an estimate of only some $112,000 for the whole province, and that we have some $4 million odd for rivers and harbours to help the fishermen who are creating new wealth, just as we try to help the grain growers out west. That is the whole policy. It is the policy not only of this government, but has been the policy of every government since confederation. Those who have experience in these matters will support what I am saying tonight. Does the hon. member think it is fair to go out to Manitoba or to his province and say, "Now, listen, New Brunswick receives $765,000 for harbours—

Mr. NICHOLSON: For public buildings.

Mr. FOURNIER (Hull): Let us see what they have for public buildings right in this.

Mr. JAENICKE: Look at Quebec and Ontario.

Mr. FOURNIER (Hull): If you give me time I will give you an explanation for Ottawa. You say that half of the money is spent in Ottawa. It cannot be spent elsewhere. That is where we have our activities. We take care of all the public buildings the government needs for its some twenty odd departments. The government here needs a staff. The hon. member is complaining that the buildings are not well maintained or in a good state of repair. He will admit that right in the city of Ottawa we have 150 buildings or thereabouts owned or occupied by the government.

I will just try to put the hon. gentleman right. I try to be fair, but, really, the remarks he made tonight are of a kind that I have not heard in the last seventeen years in this House of Commons. He tried to show that in the expenditures of money voted here the Department of Public Works are discriminating against certain provinces. I give him my word that in the last five years nothing of the sort has taken place. I rely on the reports of my officials in thirteen districts all through the country who advise me on the necessity as to buildings, public works or public facilities such as harbours or breakwaters. Take the expenditure in New Brunswick for public buildings, $131,000. But the hon. member says they received $765,000 or thereabouts for harbours and rivers. New Brunswick is another province where the fishermen need our help in providing these facilities. They come under federal jurisdiction and we have to do our best to take care of them. Prince Edward Island is in the same position. If you take Quebec, they have all the Gaspe coast, the bay of Chaleur and the St. Lawrence river, and there is fishing there. We maintain harbours and wharves on the St. Lawrence. Why? Because people need those facilities to earn their living, and that is one way to help the public. If you come into Ontario and look at the amount we spend there, it is principally on the great lakes. We have harbours and breakwaters and wharves on the great lakes, which require the expenditure of money. But when I come to Saskatchewan and Alberta I am at a loss to see where I can build wharves or breakwaters or even do dredging. As regards British Columbia, there again they have a long coast. You may say we are spending over $2,000,000 there—

Mr. SINCLAIR (Vancouver North): Not nearly enough.

Mr. FOURNIER (Hull): Perhaps we are not spending enough, but still we are trying to meet the needs of these people on the west coast. They also carry on fishing out there; they have small inlets and harbours, and they have not the means to put up these wharves themselves. I have spoken of harbours and rivers. If you take public buildings, I do not think in the last four years any province has received very much in the way of buildings. If you study my estimates well you will find that in nearly every case the items are revotes because the money could not be spent. I explained that this afternoon at some length. I gave the reasons why we could not proceed; lack of our own staff, lack of building materials, in many instance lack of man-power, and so on. After a survey of the whole country, I was advised on good

authority, not only by my friends but by people I met throughout the country, that this was not the time to start on a building programme if we wanted to devote most of our energies to putting up homes and taking care of the housing situation. Perhaps we are wrong; perhaps we should drop the housing problem and put up big public buildings in various cities throughout the country. No doubt they are needed, but I am sure the hon. member would be the first to blame me if I did that.

Mr. JAENICKE: I offered no criticism of the votes for Ottawa, 280, 281 and 282, which total some $13,000,000 and include maintenance and so on. As far as Ontario is concerned, the $2,574,000 includes almost $700,000 to be spent in Ottawa, but the remaining $2,000,000 is to be spent in the west of the province. I quoted these headings separately, in order to distinguish between public buildings and rivers and wharves, or whatever the items cover. I submit that there is an apparent discrimination between Ontario and Quebec on the one hand and the other provinces on the other, and that is the point I had in mind.

Mr. LENNARD: I agree with the minister that many matters usually brought up on the general item could be dealt with very well on specific items as we come to them, but I should like to put on record at least one point. Many acres of land along the shoreline of lake Ontario are being lapped up, and have been lapped up during the past few years, by that lake. If I can be assured by the minister that his department is giving this question serious consideration I do not think any lengthy debate will be necessary.

Mr. FOURNIER (Hull): If the hon. gentleman would wait there is an item under which that question can be discussed. It is item 328, to provide for remedial works where damages are caused by or endanger navigation or federal government structures.

Mr. LENNARD: That is all I want to know.

Mr. FOURNIER (Hull): That would be the proper item.

Mr. MacNICOL: I was glad to hear the minister say he had made a tour across the country inquiring into the matters coming under his department. Some years ago, in the days of one of Canada's greatest statesmen, than whom there was no greater, Right Hon. Sir Wilfrid Laurier made a tour of the west, on which he was accompanied by a predecessor of the minister, Hon. William Pugsley. An investigation into the problems concerning the navigation of the Saskatchewan river was carried on by the department engineers, whose names I have forgotten for the moment, since I had not intended to say anything about this matter, and they made a report which, I am sure, is available in the department, a copy of which I have in my room. At that time Sir Wilfrid, in addressing a great meeting at St. Andrew's locks, told his listeners what he hoped would follow from the works at St. Andrew's locks was the canalization of the Saskatchewan river right up to Edmonton. I shall not detain the committee longer than to say that since the minister is interested, as I believe he is, and since he has an inquiring mind, I am going to ask him to read the reports which his officials will find for him in the department, and on which Sir Wilfrid based his intention of canalizing that river. Had he lived and been in power to carry out his intention, there would have been harbours and government installations on the Saskatchewan river. The successor to Mr. Pugsley did start some work at Cole rapids, west of the forks of the Saskatchewan, where they remain to this day. I would suggest that when the minister next goes to Prince Albert, I know the city engineer will be glad to drive him down to Cole rapids, as he very kindly drove me there, where he will see the remains of the locks started at that time, still in good condition.

If the hon. gentleman remains as minister I would suggest that later on he bring in a programme for the canalization of the Saskatchewan river as far as Edmonton. This would be a great boon for the west. They would be able to bring low priced but good coal from Edmonton right down to Winnipeg; it would float all the way down to lake Winnipeg. I have been over the course from one end to the other and intended to speak on the matter on another occasion much more fully. This evening, however, I merely wish to invite the minister to follow the footsteps of those other great ministers of public works, Hon. Robert Rogers, who built the locks at Cole rapids, and Hon. William Pugsley, who envisaged them, and planned to canalize the Saskatchewan river. Then, if the minister remains in office long enough to complete a shipping route from Edmonton right down to Winnipeg, hon. gentlemen to my left will not be able on another occasion to charge him with not having canals and locks and harbours in the west to vote money for.

Mr. McGARRY: I have endeavoured to be an appreciative audience while hon. members from the prairies have solicited well merited

assistance in order to carry on their industry. I think their demands were justified, and I believe the government have been very generous in making available the millions of dollars they have required to carry on under profitable conditions. However I get a little provoked when we are talking about harbours, breakwaters and dredging to find these members, who have been accorded generous assistance, taking issue when we of the maritime provinces are undertaking to establish harbour facilities through which they of the western provinces may export their grain to foreign markets. I find it annoying when hon. members from the west take that stand. I believe the Department of Public Works has been fairly generous in affording the maritime provinces facilities required to carry on our fisheries and to provide harbours in order that those in the west may have an exit to outside markets. Speaking particularly for my own constituency, one which is sea-bound, I would say to the department that there are many things we require. But, speaking generally and without going into detail, I would say that the Department of Public Works has been reasonably generous in affording facilities.

I had not intended speaking at this time, but had decided to wait until later to ask more detailed questions. However I am provoked when I hear western members speak as I have heard them tonight when, as I have said before, we of the east have formed an appreciative audience in respect of the solicitations they have advanced from time to time. I believe it was recognized on both sides of the house that they were justified in what they asked, but I cannot understand any member from the prairies taking issue with the few little incidental items afforded us in the maritime provinces, especially when we have never raised our voices in an antagonistic fashion when they have made requests on behalf of their constituents.

Mr. MERRITT: Over a year ago a certain company in Vancouver made an offer to the minister to remove Ripple Rock on a no-cure, no-pay basis. Will the minister make a statement with respect to the action his department has taken on that offer?

Mr. FOURNIER (Hull): I suppose that in the general discussion I am bound to have something to say about Ripple Rock.

Mr. REID: You must have been expecting it.

Mr. FOURNIER (Hull): Yes, I expected it.

Mr. GREEN: It is your problem child.

[Mr. McGarry.]

Mr. GIBSON (Comox-Alberni): Tell them the story about it.

Mr. FOURNIER (Hull): I think I should. In April, 1942, authority of council was secured to accept the offer of the British Columbia Bridge and Dredging Company Limited to carry out the work of removing Ripple Rock on a cost plus, variable fee basis, the estimated cost supplied by the company at the time being $322,340. The depth to be left after dredging was thirty feet below low water level. The work included the construction of a rock filled dam across the adjacent passage between Maude island and Quadra island, which portion of the work was satisfactorily completed.

The drill barge for the work was designed, tested in model form, and construction put underway.

In the meantime, in October, 1942, inquiry was made on behalf of the United States as to the additional cost of increasing the grade depth to be left after dredging, the additional depth being 3·8 feet. It was during the war that these things took place. The contractors supplied this with their estimate of the cost, including the completed rock dam across Maude island passage, of $473,894, in addition to a fee of $35,000. This was approved by P.C. 2609 of April 1, 1943. The contractors estimated the time required at fifteen months. The barge was outfitted and brought to the site in May, 1943, and moored by cables from the barge winches to heavy concrete anchors dropped in deep water, but it was not until the 15th July that drilling of the rock from the barge commenced.

In October, 1943, it was decided to discontinue operations as the original method appeared to be a failure. Further studies of the problem were made and various discussions were held on the subject by the Canadian and United States authorities.

In October, 1944, authority of council was obtained to accept an offer from the British Columbia Bridge and Dredging Company to make a test for removal of the rock by means of two overhead lines. The test was put under way, but the cost was greater than anticipated and operations were discontinued for a time. The trial was resumed, however, in August, 1945, and continued until the end of September, 1945, at which time the work was suspended as the drill barge required repairs and as unfavourable tidal conditions for further work would ensue for some months.

The contractors were requested to furnish an estimate of cost for completing operations, which they gave at $750,000 with a time for completion of twenty-two months.

As a result of the test referred to above which was carried through to September 29, 1945, some 139 holes had been drilled for a combined length of 714·1 feet, of which ninety-three holes of a combined length of 529 feet had been successfully blasted. The length of the individual hole which can be drilled—that is, between five and six feet—indicates that the problems of removing the rock which had been blasted and of drilling and blasting further holes in order to reach the necessary final agreed depths still remain to be solved.

The contractors were asked to name the sum within which they would guarantee complete removal of the rock to the desired grade. Although in their reply they stated "we are definitely of the opinion that the test as carried out has proven entirely successful and we are convinced that the work should be further proceeded with", they would not give any such guarantee.

The contractors were asked to reconsider their previous estimate of $750,000 and to say if they would undertake to complete the work on a basis of such revised estimate, the performance to be guaranteed by a satisfactory bond under which any cost in excess of the estimate would be shared fifty-fifty by the bonding company and the government. They furnished a revised estimate in the amount of $1,844,428.00, plus a fee of $90,000 and stated that, having approached several reliable bonding companies, they were advised that the bonding companies were not interested in writing such a bond. One company agreed to supply a completion bond for any amount, provided that the government would make the necessary payment in cash to be held as security, such security to be the total amount of the bond desired, with the contract to be continued on a cost plus, fixed fee basis.

This department felt hat in the light of three years experience in operating on the project, the contractors should, if they were as confident as they expressed themselves to be that the work could be completed by the methods they proposed, be prepared to submit a firm offer, and that the suggestion that the excess cost be shared fifty-fifty was as fair and reasonable as possible under the circumstances.

The whole situation was placed before the committee of the war cabinet. This information was contained in a report we were making to the Department of External Affairs with respect to the whole matter. It was decided at the time that we would discontinue action until further developments in research in connection with the employment of new enegry methods were made.

When I was out on the coast last fall I do not know how many people called to see me concerning the removal of Ripple Rock. With what they published in the press they nearly had me having bad dreams when I was travelling by boat from Vancouver to Prince Rupert. I speak from memory, but I think the article was headed, "Sleep well, Mr. Fournier." I passed by Ripple Rock about three in the morning, and perhaps they did not think to wake me so I could look at it. I spoke to the people there but no one would make a firm bid. I have not the file here but, after I came back to Ottawa, some company wrote in stating that they would handle this work on a no cure, no pay basis. That is a rather general principle on which to base a contract.

Mr. MERRITT: It is a rather advantageous one.

Mr. FOURNIER (Hull): It all depends upon the definition given to the word "cure". It did not turn out that way. They wanted to undertake the work and we asked them certain questions concerning the organization of their company and the experience they had in this kind of work. We found that they had no experience. I understand that this was a shipping company established some years ago. Even when we made inquiries to them, they took a long time to reply.

It finally came back to the old system of cost plus. I do not think any hon. member who has been out there and knows the situation would advise the government to undertake this work at the present time without being sure that the amount involved was known to the House of Commons. We have spent some $890,000 on the project up to date, and I would feel ill at ease to spend more of the people's money without some assurance that the work could be done.

Four different schemes have been suggested to blast away the rock and remove it and to date we have tried three of them. One was to anchor a barge from which drilling operations could be carried on, but it was found that even with the heaviest anchors the barge could not be kept in position so that drilling could be carried on. The drills broke after going in a few inches and we had to discontinue that system. Then they spoke of tunneling under the rock, but the geologists advised that that could not be done because of faults in the rock. Another system suggested was to drop a caisson on the rock, empty it and then drill. However we have no guarantee that that can be done. If we cannot keep a barge in position to do the drilling

we are not too sure that we could bring a cement caisson down there and drop it in the exact position where the work could be done.

There was one method which we thought would be successful. That was to string cables from shore to shore to hold a barge in place. That was the last scheme tried and on which we spent the remainder of the $890,000, but it met with little success. Holes were drilled and the rock was blasted, but they were unable to remove the blasted rock and it is still there. They could not drill more than five or six feet at a time and we wanted to go down to a depth of 33 feet. That would have taken between five and six operations of blasting and clearing away the debris. Somebody has suggested that an atomic bomb or atomic energy should be employed, but that is at the study stage only.

Mr. GIBSON (Comox-Alberni): It is too close to my home.

Mr. FOURNIER (Hull): I understand that this British Columbia dredging company is well known out there. I think if you met the people who undertook this work before they would not speak as they did five years ago. That is the impression I got when I was on the coast. It would take a brave man to undertake this job and say he will do it at such and such a price. In the department we feel that we cannot spend money endlessly on the project without any guarantee that it will be completed successfully.

Mr. GREEN: It would not take many wrecks to cost as much as doing the work.

Mr. FOURNIER (Hull): I admit that. Some engineers say that it is not as dangerous as other people think, but I recall that there was a wreck there.

Mr. GREEN: The government lost one of its own ships.

Mr. FOURNIER (Hull): It was a Mines and Resources hydrographic survey boat. On the other hand, hundreds of thousands of boats have been travelling past there for years. The department is studying the effect of the changed currents which were brought about through the closing of Canoe Pass, which work was done under the past contract. The changing of these currents and improved aids have assisted navigation to some extent, and we are awaiting the reaction of the navigators before proceeding with any further attempts at removal.

In all, thirteen schemes have been submitted, most of which are modifications of the schemes that were submitted at the time public tenders were called for the removal of the rock. All these schemes depend upon the use of present forms of energy. It is considered advisable to await any further action pending the development of new forms of energy that are at present in a research stage.

Mr. MERRITT: The minister has suggested that perhaps there is not a firm offer and he talks about spending public money. I did not refer to the earlier history of this rock and the attempts to remove it. My question referred only to the Malahat Shipping Company Limited and their offer to remove Ripple Rock on a no-cure, no-pay basis. On October 23, 1946, they wrote to the minister making the following offer:

> We, the Malahat Shipping Company (1934) Limited, a registered contracting company under the Companies Act, under provincial charter No. 18982, undertake to remove the surface of the obstruction known as Ripple Rock, situate in Seymour Narrows, Discovery Passage, between Maud island and Vancouver island, B.C., to a depth of 34 feet low water, spring tides, for a distance of 250 feet by 170 feet, to provide all equipment and labour for the said operation, guarantee not to obstruct the free passage of vessels using the channel (with the possible exception of a short period of time whilst fitting overhead wire cables), for the sum of one million five hundred thousand dollars ($1,500,000) on a "no cure, no pay" basis.

I cannot imagine a more definite offer. No offer could more completely relieve the treasury of any expense in the event of failure. The method proposed is slightly different from any previous one used, in that there will be no barge used. It is proposed to use overhead cables to set up a platform over the rock with anchors and steel elevated piers sunk into the rock itself, the drilling to take place from this platform, which would, of course, not be subject to the tidal forces.

Mr. SINCLAIR (Vancouver North): How are you going to anchor these steel columns?

Mr. MERRITT: I do not need to be helped; thank you very much.

Mr. SINCLAIR (Vancouver North): If you were an engineer you would know they would have to anchor them. That is what is wrong with the entire plan.

Mr. MERRITT: I am not aware that the hon. member for Vancouver North is an engineering expert as well as an expert in a lot of other matters.

Mr. SINCLAIR (Vancouver North): I know something about mining and I know you would have to drill holes. If the hon. member sticks to the legal profession I think he would do a little better.

Mr. MERRITT: Apparently the hon. gentleman who is making these gratuitous interruptions is not interested in having Ripple Rock removed.

Mr. SINCLAIR (Vancouver North): I am very much interested in something practical.

Mr. MERRITT: I would have thought that he would consider it important enough at least to permit this discussion to continue without trying to embarrass someone else.

Mr. SINCLAIR (Vancouver North): We are all interested in that, but we are also interested in saving the taxpayers' money.

Mr. MERRITT: Again, what a silly interruption!

Mr. SINCLAIR (Vancouver North): A silly speech.

Mr. MERRITT: I have just read out a firm offer to do this work on a basis where the dominion government will not have to pay one cent if the rock is not removed. How that is a needless waste of public money, I do not know. The hon. member very properly says that I am not an engineer. For any engineering statements I must rely on my informants, but I have an ample file with all sorts of information on this matter, and if the hon. member will hold his peace I will try to get over to the minister what I have to say in as short a space of time as possible. I say again that the hon. member does not aid us in trying to have this matter settled properly by butting in the way he is doing.

I was describing the difference in the proposed method. I am not going into engineering details. The point I am putting forward is that under this proposal the difficulties which were faced previously—

Mr. FOURNIER (Hull): If my hon. friend will permit me one question, is this the first letter that was sent to the Department of Public Works? Has he copies of the other letters which the company sent to us?

Mr. MERRITT: Certainly. I have a voluminous file. I have written to the deputy minister on several occasions on this matter and have had replies from him. I was going to refer to some of those communications. I asked the deputy minister, since my assistance had been asked on several occasions, if he would be kind enough to let me know what was holding up the decision on this offer, and on April 9 last he wrote to me, setting out three matters which would have to be dealt with before the offer could be considered. Those three were: (1) that the company's proposals did not include the removal of rock No. 2; (2) that proof of the company's financial stability would have to be supplied; and (3) proof of their ability to provide experienced personnel conversant with sub-aqueous rock drilling would have to be provided.

I communicated these requirements, which are, I think, quite proper, to the president of the company, and he replied both to myself and, I think, to the minister. An offer was made to guarantee the removal of rock No. 2 for an additional sum of $200,000. This letter I am reading from is from R. G. Lawson, president of the company, dated April 11, 1947, and is addressed to the minister. It gives an assurance that proof of financial stability through a bank would be provided, and the third requirement was some proof that the company had the experienced personnel necessary to do this work.

I might also mention that the minister said something about the offer on a "no cure, no pay" basis having been withdrawn or that when you came to investigate it, it was not on a "no cure, no pay" basis. But in this letter dated April 11, last, the offer to do the work on a "no cure, no pay" basis is repeated. I will read that paragraph:

> If the federal government is prepared to make a tentative offer, conditional on the company producing proof of finances to undertake the purchase of the necessary material and meet any and all other expenses incurred, we are prepared to uphold our offer on a "no cure, no pay" basis.

Mr. POULIOT: Would the hon. member be kind enough to read that again, as I did not hear it.

Mr. MERRITT: I am very sorry I shall not be able to comply with the hon. member's request. He can read it in *Hansard* tomorrow.

Mr. POULIOT: I should like to know it now.

Mr. MERRITT: I have in my hand the latest letter I have had from this company, dated June 17 last. As the minister knows, this scheme has been given the blessing of Colonel W. G. Swan, who is a very well known engineer.

Mr. FOURNIER (Hull): Have you that in writing?

Mr. MERRITT: I have a newspaper clipping to that effect.

Mr. FOURNIER (Hull): I should like to see the certificate of engineer Swan on what he advised.

Mr. MERRITT: If the minister will let me finish—

Mr. POULIOT: The minister will get it in the morning.

Item stands.

Progress reported.

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

Monday, June 23, 1947

The house met at two o'clock.

EXTERNAL AFFAIRS

Eighth report of standing committee on external affairs.—Mr. Bradette.

NEWFOUNDLAND

DELEGATION TO CONSIDER BASIS FOR FEDERAL UNION WITH CANADA

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, as hon. members are aware, the people of Newfoundland some months ago elected a national convention for the purpose of making recommendations to the government of the United Kingdom as to possible forms of the future government of Newfoundland. Subsequently the question of the form of government to be adopted is to be placed before the people of Newfoundland in a referendum.

As announced in this house on April 2 last by my colleague, the Secretary of State for External Affairs (Mr. St. Laurent), the government of Canada has agreed to receive a delegation from the Newfoundland convention to consider and discuss whether there is, in the opinion of all concerned, a fair and equitable basis for federal union of Newfoundland with Canada. Arrangements have now been made to begin discussions on Wednesday, June 25. The delegation will arrive in Ottawa tomorrow. We are happy to have the opportunity of welcoming the delegation on that day since June 24 is being observed this year as the 450th anniversary of the discovery of the island.

It will be recalled that, following the disastrous economic collapse in 1929-30, Newfoundland encountered serious financial difficulties. In 1933, with the approval of the government and legislature of Newfoundland, a royal commission was appointed by the United Kingdom government to inquire into the situation. The commission recommended that responsible government should be suspended and legislative and executive authority be vested in an appointed commission, responsible to the United Kingdom government, until such time as the island should again become self-supporting. It was also recommended that meanwhile the United Kingdom should assume financial responsibility for the government of the island. These recommendations were approved by the Newfoundland legislature and by the United Kingdom parliament. The Newfoundland constitution was accordingly suspended and a commission of government was appointed by the United Kingdom government and assumed office in 1934.

Shortly after the commission was established, most of the Newfoundland debt, which in 1934 stood at about a $100 million, with relatively high interest rates, was converted to a sterling issue at three per cent guaranteed by the United Kingdom as to principal and interest. The United Kingdom also advanced considerable sums for developmental purposes, and up to 1939 met budget deficits totalling over $16 million.

Beginning in 1941, Newfoundland experienced a remarkable recovery. This was due in part to the heavy defence expenditures in Newfoundland and Labrador by Canada and the United States, and in part to the rise in prices of Newfoundland's principal exports, fish and newsprint. Since 1941, Newfoundland has had an annual surplus now amounting to about $29 million. In addition, Newfoundland's debt has been reduced to about $74 million; the public services have been expanded and improved. Revenues which in 1939 were just over $12 million reached $37 million in 1946.

In December 1945 the Secretary of State for Dominion Affairs of the United Kingdom announced that in order "to enable the people of Newfoundland to come to a free and informed decision. . . on their future form of government" a national convention would be elected in Newfoundland in the spring of 1946. The terms of reference of the convention are as follows:

> To consider and discuss amongst themselves, as elected representatives of the Newfoundland people, the changes that have taken place in the financial and economic situation of the island since 1934, and, bearing in mind the extent to which the high revenues of recent years have been due to wartime conditions, to examine the position of the country and to make recommendations to His Majesty's government as to possible forms of future government to be put before the people at a national referendum.

It will be seen from the terms of reference that the convention does not itself have authority to decide Newfoundland's future form of government. The convention is empowered merely to make recommendations to the United Kingdom government as to possible forms of future government. It is

conceivable that the convention may recommend one form, or alternative forms. In any event, whatever form or forms of government are recommended, the decision as to its acceptance is to be left to the people of Newfoundland themselves.

The convention, except for short periods of adjournment, has now been meeting continuously since September last. With a view to reaching an informed opinion on Newfoundland's economic and financial position, the convention has completed exhaustive inquiries into various phases of Newfoundland's economy, and its progress under the commission of government. The convention has come now to the second stage of its inquiry, namely a consideration of Newfoundland's constitutional future. In May of the present year a delegation from the convention visited the United Kingdom to seek information concerning the financial and fiscal arrangements which might be expected to exist between the United Kingdom and Newfoundland under alternative forms of future government. That delegation has reported to the convention.

The delegation which will arrive in Ottawa tomorrow will consist of Hon. F. G. Bradley, K.C., who led the delegation to London, and six other members of the convention. The six other members of the delegation to Ottawa were not members of the London delegation. They are Mr. J. R. Smallwood, secretary of the delegation; Mr. T. G. W. Ashbourne, Mr. C. H. Ballam, Rev. L. Burry, Mr. P. W. Crummey, and Mr. G. F. Higgins, K.C.

I have asked the following members of the government to act as a committee to meet with the delegation from Newfoundland: the Secretary of State for External Affairs, the Minister of Justice, the Minister of Reconstruction and Supply, the Minister of National Defence, the Minister of Finance, the Minister of National Revenue, the Minister of Fisheries and the leader of the government in the Senate.

An atmosphere of mutual friendliness and understanding will, I am sure, characterize the forthcoming discussions. The peoples of Canada and of Newfoundland are closely associated through strong and enduring ties. We owe a common allegiance to the crown and have a common heritage of British political and legal institutions. We have many close personal, professional and commercial associations. We are neighbours in a North American environment. We face many common problems. We have memories of dangers shared and victories won together. These associations afford a broad basis for full and frank discussion of many of the considerations of which, in the event of union, account would have to be taken by both countries.

The Newfoundland delegates, having, with their colleagues in the convention, studied intensively the problems and prospects of Newfoundland, will be able to throw much light on the questions to be explored. They will have an opportunity to learn at first hand about the working of the Canadian federal system and will thus be in a better position to advise their colleagues on what would be involved for their country in the event of union. As a result of the discussions the Canadian people also will be in a better position to appreciate what would be involved for Canada were Newfoundland to become a province. The Newfoundland delegation will report their views of the situation to the national convention. It will remain for the convention to recommend to the government of the United Kingdom whether the question of union with Canada should be referred to the people of Newfoundland for a decision.

The question of Newfoundland's future form of government is of course one for the people of Newfoundland themselves to decide. It is not a matter in which either the people of Canada or the government of Canada would wish to interfere. Should the question become a matter of referendum, whatever the decision might be, it would be received by the government and people of Canada with understanding and good will.

On the part of Canada no final decision would of course be taken without the approval of parliament. Section 146 of the British North America Act makes provision for procedure in the event of the admission of Newfoundland to the union. So far as Canada is concerned, the action provided for in this section is an address by both houses of parliament.

[*Later:*]

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, I should like to make a brief observation with respect to the announcement just made by the Prime Minister. I am sure all hon. members are pleased to learn about the visit to Canada of a representative delegation from the island of Newfoundland. I am sure also the Canadian people will welcome this delegation and will wish for it every success in its mission to this and other lands. Speaking for this party I would say that we hope as a result of their visit here that common ground will be found which will result in mutual advantage both to Canada and to Newfound-

land. If there is any way in which the official opposition can be useful in these discussions during the next few days, let me assure the Prime Minister that we shall be at the service of the government in this respect.

Mr. GRAYDON: Could the Prime Minister say whether an opportunity will be given to hon. members generally to meet the delegation of Newfoundlanders who are to arrive in Ottawa shortly? Hon. members may wish to discuss common problems which affect Canada and Newfoundland.

Mr. MACKENZIE KING: I shall be happy to inform the members of the delegation that one of the rooms in these buildings has been placed at their disposal so that should they wish to have the pleasure of meeting hon. members, arrangements can be made to that end. With the assistance of His Honour the Speaker we will try to have something worked out which will be satisfactory.

UNEMPLOYMENT INSURANCE

APPOINTMENTS TO COMMISSION AND ADVISORY COMMITTEE

Hon. HUMPHREY MITCHELL (Minister of Labour): I table copy of order in council P.C. 2052, of June 19, 1947, appointing Mr. C. A. L. Murchison, K.C., of Ottawa, a member of the unemployment insurance commission, succeeding Mr. G. W. Ritchie. This appointment is for a term of five years from June 1, 1947.

I table also copy of order in council P.C. 1980 of June 19, 1947, appointing the following persons as members of the unemployment insurance advisory committee, to hold office for a period of five years: chairman, Doctor W. A. Mackintosh, Kingston; alternate chairman, Mr. Arthur MacNamara, Ottawa; members: Mr. Percy Bengough, Ottawa; Mr. George Burt, Windsor; Mr. Romeo Vallee, Sherbrooke, Quebec; Mr. Joseph A. Boivin, Montreal, Quebec; Mr. James Hunter, Toronto; Mr. William S. Lavers, Halifax, Nova Scotia.

(Translation):

REDISTRIBUTION

RESOLUTIONS AND PETITIONS AGAINST THE DISMEMBERMENT OF THE CONSTITUENCY OF LAVAL-TWO MOUNTAINS

Mr. LIGUORI LACOMBE (Laval-Two Mountains): Mr. Speaker, I wish to file with the Clerk of the house, resolutions and petitions from the council of the corporation of the county of Two Mountains, and from the council of the parish and village of St. François de Sales, county of Laval, protesting against the dismemberment of the constituency of Laval-Two Mountains.

Those resolutions and petitions were carried unanimously by the seventeen mayors of the county of Two Mountains and by the council of St. François de Sales, and they have been endorsed in compliance with standing order 68.

(Text):

STANDING ORDERS

CONCURRENCE IN SIXTH REPORT OF STANDING COMMITTEE

Mr. E. O. BERTRAND (Prescott) moved that the sixth report of the standing committee on standing orders, presented on Friday, June 20, be now concurred in.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

WAR ASSETS—PRINCE RUPERT WAREHOUSE

Mr. ARCHIBALD:

1. Has the warehouse, now being occupied by War Assets Corporation in Prince Rupert, been sold or leased?
2. If so, to whom?

Mr. McILRAITH:

1. No.
2. Answered by No. 1.

PUBLIC WORKS—POST OFFICE BUILDINGS—SASKATCHEWAN

Mr. McKAY:

1. How many post office buildings were erected in Canada during 1946?
2. What number was constructed in Saskatchewan?
3. Where are these buildings located?

Mr. FOURNIER (Hull):

1. None.
2. None.
3. Answered by Nos. 1 and 2.

EUROPEAN PEACE TERMS—PROPOSALS OF U.S. SECRETARY OF STATE

Mr. CHURCH:

Has the government been consulted on the proposals of the Hon. Mr. Marshall, Secretary of State of the United States of America, for the settlement of European peace terms and economic matters outside the scope of the united nations organization, and on the statement in support of that plan by the Right Hon. Mr. Bevin, in the House of Commons on June 19?

Mr. ST. LAURENT: The government has not been asked by either the government of the United States of America or of the United Kingdom, for an expression of views on the proposals made by the Hon. George C. Marshall, United States Secretary of State, in his address at Harvard university on June 5, concerning the requirements for the rehabilitation of Europe. The government has, however, been following developments in this regard with great interest and is in receipt of detailed information on this subject both from its representatives in London and Washington and from the Secretary of State for Dominion Affairs.

QUESTIONS PASSED AS ORDERS FOR RETURNS

IMMIGRATION—GERMAN SCIENTISTS AND TECHNICIANS

Mr. REID:

1. Have arrangements been entered into by the government to bring to Canada German scientists and technicians?
2. If so, what number or numbers does the government intend to bring to Canada under any such agreement or agreements?
3. What arrangements have been made by the government to provide necessary transportation for them?
4. Has any steamship company agreed to supply the necessary transportation for any such group or number of Germans to come to Canada?
5. What is the estimated cost to Canada of such transportation?
6. What is the size and passenger accommodation of the ship or ships proposed by the Canadian Steamship Company, to be made available for the transportation of these Germans?
7. At what date is it expected, the first group or number will sail for Canada?
8. How long a period of time will these Germans be allowed to stay in this country?
9. In what age groups are those being brought to Canada?
10. Will they be returned to Germany at the conclusion of their contract?
11. In the event of any of those Germans desiring to stay in Canada following the end of their contract will provision be made to allow them to do so?
12. In the event of any of them being granted leave to stay longer, or later granted a landing certificate as an immigrant, will the time of their first entry be considered as the date of their entry as an immigrant?
13. Have any steps been taken to bring to Canada any scientists or technicians from Great Britain?
14. Have any steps been taken to assist in the transportation to Canada of any of the great numbers of persons from the British isles who desire to come to this country?
15. What is the number of applications now on file at Canada House in London from persons living in Great Britain, who desire to come to Canada?
16. Would it be possible for the government to make some provision for transportation for persons in Great Britain desiring to come to Canada similar to that made by the government for persons from Germany or Europe?
17. If so, will steps be taken to do so?
18. Have any requests or suggestions been made to the government against the bringing to Canada persons from Great Britain?

EXPORTS OF CLASS II WHEAT

Mr. BRYCE:

1. To what countries has Canada made sales of class II wheat?
2. What amounts were sold to each of these countries?

Mr. McCANN: Return tabled.

NATIONAL FILM BOARD—TALKS TO SERVICE CLUBS OR OTHER ORGANIZATIONS

Mr. FRASER:

1. Have any employees of the national film board given talks to members of service clubs, or other organizations, in Canada during 1946 and 1947?
2. If so, what are the names of employees and organizations which they addressed?

Mr. McCANN: Return tabled.

VETERANS LAND ACT—SASKATCHEWAN

Mr. ARGUE:

How many veterans have been settled on farms under the Veterans' Land Act in each of the rural municipalities and local improvement districts in Saskatchewan?

PRAIRIE FARM REHABILITATION—SASKATCHEWAN AND ALBERTA

Mr. McKAY:

1. What has been the total expended in Canada by the P.F.R.A. branch of the Department of Agriculture, since its inception?
2. How much of this expenditure has been in (a) province of Saskatchewan; (b) province of Alberta?

MOTIONS FOR PAPERS

PEACE TREATY WITH JAPAN—JAPANESE TEXILE INDUSTRY

Mr. CHURCH:

For a copy of all letters, telegrams, cables, orders in council and other documents exchanged between the government of Canada or any officer thereof and the governments of Great Britain, Australia and the United States of America, or from General MacArthur and the Right Hon. Dr. Evatt of Australia, in relation to the proposed peace treaty with Japan. Also any correspondence with respect to the rebuilding the textile industry in Japan to a pre-war standard, as proposed by the United States of America.

Mr. ST. LAURENT: Mr. Speaker, with the exception of the draft treaty on the disarmament and demilitarization of Japan, which the United States government released for publication on June 21, 1946, any proposals with regard to the Japanese peace settlement

that may have been exchanged between the Canadian government and the United States government or governments of other nations of the British commonwealth were on an exploratory basis and are confidential in nature and could not be published.

With respect to the Japanese textile industry, I would point out that this is one of the matters studied by the Far Eastern Commission in Washington, on which Canada is represented. As hon. members know, that is a commission composed of representatives of eleven nations. By agreement they are treating their deliberations as confidential. We could not make public the reports received by us from our representative. There is the report of the Japanese mission on the textile industry, which I should be glad to make available to the hon. member, together with a copy of the United States government's proposed treaty of June 21, 1946. There are many matters which I should be glad to show the hon. member in confidence. He will see that we could not table them for publication. Under the circumstances I suggest that the hon. member might be prepared to allow the motion to drop. If after he has seen these files he thinks there is something further we can make available for publication, perhaps he could renew his motion.

Motion dropped.

SNOW LAKE, MAN., MINING ROAD

Mr. MOORE:

For a copy of the agreement between the Manitoba government and the federal government under which the Snow Lake mining road is to be completed?

GRIMSHAW—GREAT SLAVE LAKE, ALTA., ROAD

Mr. MOORE:

For a copy of the agreement between the Alberta government and the federal government under which the Grimshaw-Great Slave lake road is to be completed?

AGRICULTURAL PRICES SUPPORT ACT—POTATOES

Mr. HATFIELD:

For a copy of a resolution moved by the Minister of Agriculture in the province of New Brunswick, and all correspondence which passed between the provincial minister and the federal Minister of Agriculture or the Department of Agriculture, regarding a fair price on potatoes under the Agricultural Prices Support Act, 1944.

EXPORT OF POTATOES

Mr. HATFIELD:

For a copy of all correspondence exchanged between exporters of potatoes in New Brunswick and Prince Edward Island and the Agricultural prices support board or Department of Agriculture regarding export of potatoes.

[Mr. St. Laurent.]

MARIAN CONGRESS

EXPRESSION OF APPROVAL OF SERVICES PERFORMED BY VARIOUS ORGANIZATIONS

On the orders of the day:

Mr. PATRICK H. ASHBY (Edmonton East): Mr. Speaker, may I point out to my fellow members of parliament the wonderful devotion to duty during the past week by the members of the staff of the House of Commons who yesterday, Sunday, handled over 30,000 visitors. I would also pay tribute to the Boy Scouts and Girl Guides, and to the voluntary services of the St. John Ambulance brigade. They rendered a magnificent service during the whole of the week, and yesterday gave aid to 800 casualties. I would pay tribute, too, to the Royal Canadian Mounted Police, and to the Ottawa police force, both of which organizations performed their duties magnificently. May I mention, too, the citizens of Ottawa and surrounding district, without whose cooperation that great event, the Marian Congress, could not have been the wonderful success it was.

Mr. POULIOT: What about members of parliament? They did well.

Mr. ASHBY: Let me mention, too, the Ottawa Electric bus drivers, who worked constantly for sixteen hours under most unusual and trying conditions.

Mr. POULIOT: What about the press gallery? They did well too.

(Translation):

CANADIAN NATIONAL RAILWAYS

DISMISSAL OF EMPLOYEES FOR REFUSAL TO WORK ON CORPUS CHRISTI DAY

On the orders of the day:

Mr. PAUL-EDMOND GAGNON (Chicoutimi): Mr. Speaker, I wish to direct a question to the honourable the Minister of Transport (Mr. Chevrier). I notice that he is not now in his seat but one of his colleagues will no doubt be kind enough to bring my question to his attention.

Is it true that about forty maintenance employees of the Canadian National Railways have been dismissed in the lower St. Lawrence district?

(Text):

Mr. SPEAKER: May I direct the attention of the hon. member to the fact that the purpose of putting a question to a minister is not to give information but to get information.

Mr. GAGNON: That is right. I am not giving information; I am asking for it. Is it true?

(Translation):

Is it true that about forty maintenance employees of the Canadian National Railways have been dismissed in the lower St. Lawrence district, that is at Rimouski, Sayabec, Mont Joli and other neighbouring places, for refusal to work on Corpus Christi day?

(Text):

INSURANCE COMPANIES ACT

AMENDMENT OF 1932 STATUTES TO AUTHORIZE INVESTMENT IN SECURITIES OF RECONSTRUCTION AND DEVELOPMENT BANK

Hon. DOUGLAS ABBOTT (Minister of Finance) moved the second reading of Bill No. 337, to amend the Canadian and British Insurance Companies Act, 1932, and the Foreign Insurance Companies Act, 1932.

He said: Mr. Speaker, this is a short and simple bill to enable Canadian insurance companies and other insurance companies operating in Canada to invest their funds in securities of the International Bank for Reconstruction and Development. The immediate purpose in asking parliament to approve this legislation is to enable our Canadian companies doing business in the United States to use their funds in that country to buy securities which the bank is to issue shortly in the United States for the first time. The other objective is, of course, to facilitate the long run purposes for which the international bank was established, that is, the reconstruction and development of member countries and the promotion and growth of international trade. We expect that Canada will benefit both directly in our export trade and indirectly in other respects from the accomplishment of these purposes.

I should recall to hon. members that Canadian insurance companies under section 60 of our act are permitted to invest their funds in a fairly wide variety of high grade securities. These include, first, bonds and other securities issued or guaranteed by governments —Canadian, British and foreign—including provincial and state governments. Secondly, they include bonds secured by mortgages and various types of statutory payments. Thirdly, they include debentures, preferred and common stock of corporations with certain specified dividend records, and subject to certain limitations. Finally, of course, there are included mortgages and hypothecs on real estate, not exceeding sixty per cent of the value of the property. A company may not invest in bonds or other obligations on which payment of interest or capital is in default. There are various detailed provisions relating to these items and one or two other minor items specified in the law, but what I have said will serve as a brief outline of the nature of the eligible securities.

When these categories of securities were drawn up there was, of course, no international corporation of the nature of the International Bank in existence, and since our list was specified in fairly detailed terms there was no class which includes the securities to be issued by the bank. While the securities issued or guaranteed by the bank resemble in certain respects foreign government bonds which our insurance companies are permitted to hold, they do not come within the present provisions of our law, and this bill is intended to bring them within it.

I should point out that in the United States, where jurisdiction on these matters rests with the state governments, action has been taken already by a number of the more important state legislatures to make the securities of the international bank eligible investments for insurance companies. I understand that this has been done by the states of New York, New Jersey, Pennsylvania and California, among others, while the legislation of several other states, including Connecticut and Delaware, already permits investment in the bank's securities without specific amendment.

I do not think it is necessary for me to describe the nature, functions or activities of the international bank at this time. The house is already familiar with its purpose and constitution, which were, of course, approved when parliament authorized our participation in it by the Bretton Woods Agreements Act of 1945. I tabled a few weeks ago a report to parliament on operations under that act during the last fiscal year. There is a large amount of published information available on the bank, its financial condition, the loan it has already made to France, and its other activities.

I should make it quite clear that the bill now being proposed simply enables insurance companies to buy securities of the international bank if in their judgment the securities are a good investment on the terms at which they are offered. My own view is that the securities to be issued by the bank should command a high rating. Behind them will stand, first of all, the assets of the bank, in-

REVISED EDITION

cluding not only those loans made and other assets acquired with the funds borrowed by the bank through the sale of securities, but also the loans and other assets representing the paid-in capital of the bank and its reserves. I have no doubt that the management and directors of the bank will do everything that is humanly possible to ensure that loans are wisely made and wisely spent. But those who devised the bank's constitution some three years ago recognized that more than normal risks and uncertainties would be involved in the granting of international loans during the post-war reconstruction period, and special care was taken to provide safety for those who invested in the bank's securities.

For example, the bank is able to call upon those governments which are members of it to pay amounts up to four times the total of the capital they have already paid in, if this is required to meet the obligations of the bank. The constitution of the bank limits its loans or guarantees to a total not exceeding its unimpaired subscribed capital, plus its reserves and surplus, and this in effect sets a limit on the bank's obligations to investors. Moreover, even within this limit, the security market itself, in determining the total amount of the bank's securities which it will accept over the course of time, will thereby determine the degree to which investors in those securities will be protected by the obligations of the United States, Canadian and other governments to put up additional capital if that should be required.

I should also point out that this legislation does not in any way override the control of capital movements or foreign investment by Canadians under the Foreign Exchange Control Act. Insurance companies having funds in the United States will, when this bill is passed, be able to invest such funds in the securities of the bank. However, if a company wished to transfer funds from Canada to purchase the bank's securities, it would need to secure permission from the foreign exchange control board, and under present circumstances sales of United States funds for capital transactions of this kind could not be permitted.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I shall be but a short time this afternoon, but I do want to call the attention of the house to the great danger of this bill. It will affect the life insurance companies of this country and every policyholder in those companies. We have been through some very trying times since 1932. This is not the time to bring a measure like this before the house. It should go to the committee on banking and commerce for consideration, because it affects the whole consolidated debt of this country and every insurance company's future. We are dealing now with trust funds. No one knows yet whether or not this international bank is going to be a success. It is becoming doubtful about the united nations as we see its futility. We had the Dumbarton Oaks and the Bretton Woods agreements which were agreed to by this house in December, 1945, and the creation of an international bank.

I have a number of objections to this proposal. When the minister introduced the resolution I pointed out that these were trust funds. I asked whether the superintendent of insurance had sanctioned the measure, and he said yes. I want to point out to the house the very grave danger which affects every policyholder if this particular bill goes through. We should stop and listen before it is too late.

These companies do business outside of as well as within Canada. The bill proposes to permit insurance companies to invest in bonds, debentures and other securities issued by the international bank. When I spoke on the Bretton Woods agreements on December 6, 1945, I said:

> I am not opposed to an international monetary mechanism being established to solve the economic conditions which are growing out of the war, but I am opposed to the present proposals and I propose to show the reasons why and give the view of two great British chancellors of the exchequer.

Then I went on to refer to the agreement which was made, and I said it would mean the end of British preference and would place Canada in a very dangerous position. This bill refers to two statutes. During the session of 1932 there was a consolidation of the two statutes which are affected by this bill, and those statutes will be found in the statutes for 1932. The principle of this bill is set out in sections 1, 2 and 3; it amends the Canadian and British Insurance Companies Act, 1932 and the Foreign Insurance Companies Act, 1932. There are two schedules to the act of 1932, one dealing with assets and the other with reserves. The Bretton Woods Agreements Act in chapter 11 of the statutes of 1945.

The minister has said that the inspector of insurance has approved this bill. I was very much surprised to hear that, because these are trust funds. The policyholders should have something to say about this. There should be a meeting of shareholders in order that they might approve this proposal. I am not opposed to the settlement of debt by international monetary machinery to remedy the economic

conditions growing out of the war, but I oppose this way of doing it. There will be no more preferential trade.

I was not a member of the house in 1932 when all the trouble arose over losses of insurance companies abroad. All these life companies must report to the inspector every year and obtain a certificate in order to do business. I have the report here but I will not name the companies; I will refer to them only as companies A, B, C and D. Hon. members can get a copy of the report of the superintendent of insurance and see how money was being lost in 1932. Practically every bank has a trust company connected with or related to it, and after the Home Bank failure great losses were shown by banks and insurance companies through common stock investments of this type.

During the depression of 1923 we had the failure of the Home bank when thousands of shareholders lost millions of dollars. Depositors suffered and millions of dollars were lost by frauds abroad. I introduced a bill in this House of Commons regarding lapsed insurance policies, the details of which will be found in *Hansard* of February 14, 1929, page 123. I also introduced later a bill to prohibit investments by insurance companies and banks in common stocks outside Canada. The Liberal party was in opposition then. One of the speakers in the debate was Mr. Hepburn—page 1102, March 14, 1932—who was then a private member of the house; he criticized severely some of the investments of the insurance companies. Other members who spoke were Mr. Bennett, Mr. Ralston, Mr. Spencer and Mr. Lawson. I am not going to refer to what was said then, because that is past history. But it warns us of the great and grave danger of allowing banks and trust and insurance companies to go on without any restrictions in the manner indicated.

I do not believe in the principle of this bill. The government brought in the Bretton Woods bill in December 1945. The United States had then about ninety-five per cent of the gold supply of the world at Fort Knox. I gave my reasons for opposing the Bretton Woods agreement at that time, and was supported by the hon. member for Danforth (Mr. Harris) in a note on December 8, 1945. This bill will cause the gravest concern to every policyholder in a life insurance company in Canada. Millions of dollars are already invested by Canadian life insurance companies in the United States and other countries. The companies are named at the following pages of the inspector's report: 93, 110, 134, 178, 181, 185, 193 and 255. Also the investments outside Canada are given, total liabilities outside Canada, ledger assets, non-ledger investments, and so forth running into hundreds of millions of dollars. All these assets are affected by this bill. The inspector's report speaks for itself.

There was to be a conference at Moscow on international debts. It failed completely, and has been postponed to meet in London in November. Russia and France and the United States, according to the Ottawa *Journal,* are going to meet in Paris on June 24 to discuss European debt, settlement on the Marshall plan, and so forth. What I do not like about this bill is that it brings up once again the old question of the debts incurred by Britain in the first world war, and the matter of lend-lease; and involved in that question is the further question of bases from Newfoundland to British Guiana. Apparently that question has been written into the debt and no doubt the international bank will be asked to come across with sufficient money to take care of the settlement of that whole question—involving both wars and lend-lease accounts. I am afraid it is going to cause a great deal of trouble. The bill is based also on the principles of the successor to the old league of nations, and the success of the bill hinges upon the success of the UNO. That will be seen by reference to many of the sections of the bill. After the last war we had the league of nations and following this war we have a new league proposal entirely, in the UNO. The result of the general policy that is now being proposed will be, in my opinion, the end of preferences and the dissolution of the empire. The result of Bretton Woods will be the abolition of the British preference and preferential trade within the empire.

We are told that the United States is in full accord with this bill. Why not? It is the most favourably situated of all the nations today. It is the supreme creditor nation in the world and can therefore dictate its own terms. When the minister introduced the bill the other day I pointed out what in my opinion were certain errors that had to be guarded against. It is all very well to say that the forty-eight states of the American union agree to it, but we should not forget that their banks and insurance companies have not the stability that our financial institutions have always had. Far from it.

In my opinion this is the wrong time to bring forward this bill. In 1932 there was a great deal of criticism of the investments of insurance companies in common stocks not only within Canada but outside as well. The situation was indeed a serious one. To qualify for an annual certificate some companies put down common

stocks at high rates. An order in council passed in 1932 allowed certain preferences in statements of book, par and market values of stock. One stock I know of went down from 98 to 7 or 8 in the market, yet 98 was quoted by one company to gain a certificate. You can see therefore the liability of the insurance companies for these investments. They are handling trust funds and everyone who has a policy is affected by any error in judgment which these companies may perpetrate in relation to the international bank. I venture to call this whole matter a tragedy in international affairs. I do not think it is too much to say that the policy now proposed will mean the end of the British preference and preferential trade and the end of the present British empire.

What is this proposal before us today? The united nations monetary and financial conference, held at Bretton Woods, New Hampshire, from July 1 to July 22, 1944, resulted in certain articles of agreement. Those articles were approved by the United States Senate on July 20, 1945, and by Canada in December 1945. The proposals provide for an international monetary fund or multilateral clearing and for an international bank for reconstruction and development. The fund will provide short-term credits and the bank will provide long-term loans for countries whose balance of payments is adverse. The fund and the bank are the nucleus, or an organ, of an internationalist federation whose chief function is to give unrestricted scope to the gold standard, and expansionist policies of the principal creditor. Participation in the fund by monetary quota is to be the determining and limiting factor.

The articles of agreement involve a return to the gold standard. Monetary and economic policy is to be enforced throughout the world by an international authority supported by an international policy force and by the equivalent of world government. The fund and the bank will be situated in and controlled by the United States as a result of that country's 85 per cent holding of the world's monetary gold. The favourable balances that the United States will enjoy will be sustained by American loans to foreign countries. Imperial preference and the sterling area will be abandoned. International currency stabilization should be based on: (1) sound financial administration such as is provided within the sterling area; (2) effective trade reciprocity which has been successfully achieved by imperial preference; (3) stability of the price level and a managed gold standard.

I do not think there is very much more I can say except to state emphatically that I am thoroughly opposed to the bill. This whole Bretton Woods business is the creation of Lord Keynes. He thought he had an idea and they sent him to Washington. They had a number of meetings covering a period of seven weeks at Bretton Woods. Keynes is no doubt a great financier but he has never had any faith in the British empire. A critic said editorially at the time of his death: "The death of Lord Keynes occurred at the end of April. He had been our principal negotiator with the Americans about the loan. For this task he was, in spite of his excellent brain, very much handicapped, for as I have said, he had no faith in the future of the empire, nor indeed any urge to stand by it. And this lack of faith, this pessimism showed all through his life. He did not fight for his country when he was a young man, and when he was older he did not appear to rely on the essential qualities of his countrymen. He could work for them, but he could not believe in their future. This attitude of his did us immense harm in Washington. Many Americans felt that they need not consider the empire when England's principal negotiator disbelieved it. Added to this he was accompanied to Washington by a crowd of superior young men, economists, professors and others who made an indelible, and deplorable, impression upon all who saw them and heard their haughty and highbrow voices. We make a great mistake when we send such representatives abroad. We cannot make ourselves popular in the United States, there is too deep a prejudice there against Britain, but the sort of people she sent to the United States to discuss the loan would be disliked anywhere and were fatal in America. Lord Keynes may not have been aware of this but the attaches of the British embassy, the men who are trained to have quiet good manners and patience, suffered acutely.

This bill has come up at a most inopportune time and I suggest it could very well have been held over. There was no necessity to proceed with it at this session. I had been hoping that we would get through with this session by the first of July. If the bill were allowed to stand over I do not think it would affect Britain's financial relations with the United States to the slightest degree, because the questions involved in the bill could be ironed out at the meeting now in Paris and the one that is to take place next November in London. An attempt was made to settle international debts in Moscow but that failed. I suggest that for twenty years we have had too many international meetings,

peace pacts, financial agreements and all that kind of thing. They have all ended in failure.

The question of lend lease is also involved, so that at this particular time it can only lead to trouble if we proceed with this bill, because after all the principles are inconsistent. In my opinion imperial preference and, indeed, the very existence of the empire are now at stake. I do not wish to say very much more about this matter but I am certainly absolutely opposed to the principle of the bill. It can only mean trouble for the mother country. Russia is too weak to fight anyone at the present time, having lost twenty million men in the war. Her cities destroyed by Germany are all rubble; she has no real houses; the people have no homes, and the result will be that the bank will have to make provision for them as well as for rebuilding all of Europe. Russia is too weak to fight anybody at the present time. If she had superior armaments and were to attempt it, she might come to the point of disaster. But it does seem that the Soviet Union is not the enemy of all the rest. She is only the enemy of two different ideologies. I am glad to see the announcement that the day of appeasement by Britain and the United States is over and that they are going to settle with her in the right way by negotiation and all that kind of thing. I hope we shall see Russia, the United States and Britain carry into peace the successes which they had in war. No purpose can be served by criticizing Russia, because if there is any good left in her she cannot afford not to develop it. If not, nothing else matters. Our task as an empire is to work with the United States and France, we hope, not so much for the rehabilitation of Germany—we did that before and saw the result—our task is to work with our allies in the war, and not do as was done after the last war, rebuild Germany at the expense of France. Britain now after 1945 seems bent on making the same mistake as after 1918.

Mr. JEAN FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, this bill is interesting in this sense, that it shows a new trend in banking. International banking in the first place had been moving from London to New York; now it is going to Washington. The international bank means that the United States, with the assistance of a few of the other united nations, will finance the devastated countries of Europe and other continents. I remember that before the first war most of the investments of the English insurance companies were in Canada, where they promoted Canadian trade and Canadian business at large. But since the last war the trend of British investments has been different. Now the money which is paid on premiums by the Canadian people is often diverted, according to the decisions made by the insurance companies, to countries other than Canada, countries with which Canada has little trade.

Statistics are dry, but when we compile them in order to understand the various trends of business we inevitably come to certain conclusions. In my humble view the money which is paid by Canadians on premiums should be used to promote the interests of the Canadian people at large, either in this country or in other countries with which we are associated in trade and business. Some time ago it was the practice that all earnings of insurance companies in Canada were deposited in Canadian chartered banks whose main offices are in the various cities of Canada. Now it is different. A subagent of a mother bank in London is used for the investments of the insurance companies. In the monthly reports which are published in the Montreal *Gazette* it is most interesting to note that the total amount of the current and savings deposits of that subagency of an English mother bank is the lowest of all the banks, probably because of the fact that some time in the month the money which is deposited in that bank is sent across to the mother house in England.

What I regret about that institution, which is known to everybody, is that it does not give the same reports as the other Canadian banks give. Its report is mimeographed, and it is a summary; it is far from being complete. The purposes of the establishment of that new institution—which I will not call a bank, because it is rather a subagency of a big London bank—is to drain off to London all the Canadian investments kept with that bank, and in London the money is reinvested according to the decision not of Canadian bankers but of English bankers. I protest against that.

I warn the minister of the danger of such investments which cannot be in accordance with Canadian needs. I say that for this reason. I do not know what will be the purpose of the English companies making any investments in the international bank. There again we may have a representative, but we shall not be the majority in that bank and we may wonder if the investments which will be made by the international bank will be in conformity with Canadian needs.

I draw the attention of the minister and my hon. colleague to this serious question, because the amount of premiums paid by the Canadian people to insurance companies is high; and there is a surplus of money which belongs to the insurance company and which may be profitable to Canadian business. Very often it is hard for us to get from the insurance companies any loans, for housing, for instance. If the insurance companies are given the excuse of being permitted to make investments in the international bank, when the Canadian people go to the insurance companies to get housing loans they will be told, "It is impossible; we have lent all our money to the international bank for the reconstruction of Europe," or some other continent, and the Canadian people will have to wait longer in order to see the fulfilment of the promises made by the insurance companies.

That is one point. I do not want to repeat what I have said. I believe this is a matter to which members of both houses should give serious attention. They should consider what would be the best possible investment for all insurance companies which operate in this country.

Lately we have seen in the press that the largest investment in Canadian business has been made by United States companies operating in Canada, just as before the war it was by English companies operating in Canada. We should come back to the old practice. The new one is wrong, because we cannot dispose of our assets as well as we could previously. The minister has control over the investments of the insurance companies so long as they are made in Canadian business here in this country; but when they are made outside, when by law we authorize insurance companies to make investments in the international bank, we have no more control. We have a representative there but he counts only for one, and the decision is made by the other nations which at times are very greedy and leave nothing to Canada. The international bank is an institution for which we pay and from which we get nothing except investments in countries with which we may have some trade, but it is doubtful. Therefore, sir, the only way to be practical is to come back to the old theory of true Canadian government and as far as possible have all the investments of the insurance companies made to assist Canadian business men.

My second point, which I suggested some years ago to a predecessor of the minister, is that we should tax Lloyd's, a company that has been operating in Canada but which does not pay taxes. It is not a company; it is a society, and I have been told that is the reason Lloyd's does not come within the taxation laws. I do not see why a group of men, called a society or a company, should not pay the same taxes that Canadian companies pay. Otherwise their competition becomes unfair. If they do not pay taxation their rates may be lower than those of the Canadian companies or even other English companies that are taxed; and it is disloyal competition for our own firms. I will tell you more than that, sir, as to why no special consideration should be given Lloyd's. Some time ago a Norwegian company was ready to come here and register its ships in Canada, but Lloyd's objected and said, "We will not insure your ships if they are of Canadian register." Therefore I do not see why we should have special consideration for a company such as that, which does all the promotion of English business but forgets everything when it comes to the Canadian side of it.

I bring both these matters to the attention of the minister—the taxation of Lloyd's and the consideration of Canadian interests in connection with investments by insurance companies.

Mr. J. H. HARRIS (Danforth): Mr. Speaker, I noted with some interest what the minister had to say in reference to the passing of this bill and the promotion of international trade. I am of the opinion that when our citizens make their payments to the insurance companies, which become these trust funds, they believe that such payments are in accordance with the law as it now stands. They will not have the opportunity to review what is in this bill, and perhaps will never know that the legislation before us today will permit those in charge—presumably the government, since this looks like a government bill—to use their trust funds in the promotion and bolstering up of an international bank. That is not their intention. In my opinion they feel that trade would be expanded much more if these premiums and trust funds were invested in this country of resources and opportunity, which investment I am sure the minister will agree is recognized by this parliament as one that may be made by insurance companies. In that way we would retain these moneys here, where the trustees feel they belong, rather than having them invested in an international bank.

A few moments ago the hon. member for Temiscouata (Mr. Pouliot) brought up an even more important point, which with the permission of the house I should like to repeat. We have sat in this chamber listening to speech after speech about the shortage of

houses and the scarcity of cheap money with which to build them. We have heard about what is more or less the flop of Housing Enterprises—a company financed by the insurance companies—because those insurance companies were not getting a sufficient return on their money to permit them to go ahead and build more houses in spite of the obstacles of high labour costs and so on. Yet today we are asked to pass legislation which will let this money go into another channel when it is so badly needed here for housing and other enterprises that are awaiting expansion. They are awaiting expansion not only by our own people but also by those who are so anxious to come here from Great Britain. Today we see in the press that some seven thousand people are coming to Canada from the British isles. They will bring every dollar they can possibly get hold of; but how many dollars will they be permitted to bring with them, in view of the financial condition of England today? Can each individual bring $5,000 in Canadian money? I doubt it. They have British pounds to burn over there, but they cannot change them into Canadian dollars in Britain, and we on this side cannot exchange dollars for British pounds for the development of this country. No; they must have wheat and bacon for every Canadian dollar they are able to get their hands on, and they cannot allot Canadian dollars to their people who are so anxious to come to Canada.

I remember the discussion in 1932, when the previous bill was under discussion, when we were over there and you were over here; and remembering that discussion I wonder that hon. gentlemen opposite have the audacity to introduce the present bill, which goes against every principle enunciated by the great Liberal party when they were on this side of the house. Hour by hour, speaker by speaker, they berated the Sun Life and all the other life insurance companies who were seeking the legislation enacted at that time. Now I ask hon. members opposite to rise in their places and repeat what they said in 1932, as my honourable and honest friend from Temiscouata rose in his place today and made his representations.

The hon. member for Broadview (Mr. Church) pointed out today that forty-eight states of the union gave authorization of the kind proposed in this bill. I do not think that is correct, and I believe the minister will agree with me. I do not believe half the states in the union up to this time have put through similar legislation. But if they have, what of it? Some of us have lived long enough to see what is happening. I am not speaking in a derogatory fashion about any state of the union, but I do point out what has happened in the individual states. We have seen certain states allow companies to form; we have seen permission given for certain transactions along monetary lines. In the course of a decade that same monetary legislation given passed by the individual states has fallen by the wayside. Today Canadian life insurance policies, next to dominion government bonds, are the soundest investments in this country. But people in many states of the union have suffered for lack of legislation which would protect them as Canadian citizens are protected. State legislation on these matters is not at all on a par with legislation which has emanated from this chamber, for the simple reason that banking legislation applies universally across Canada whereas in the United States it may apply to the individual state. And until such time as the forty-eight states of the union endorse legislation of this kind, and if possible have Washington, as a matter of high policy endorse it, I do not see why we in this country should, to use the language of the street, stick our necks out. We should hold in Canada what we have.

Our banking institutions are recognized the world over as of the highest order. They are on a par with or even higher than those of any other country. Our life insurance organizations are considered equal to or even better than some of those in dear old England.

The Minister of Finance (Mr. Abbott) will realize that certain companies are able to form in England and do business in this country. Do they take risks here after inspection by their own officers or upon inspection by accredited agents in this country? No. They will take a risk in Canada because a certain insurance company may accept a risk on a certain property, for, we will say, $100,000. The Canadian tariff company will take the risk at $100,000 because its organization has examined the risk and has found the rate fair. They go to the expense of checking all the hazards. Those expenses come out of the coffers of Canadian insurance companies.

My hon. friend mentioned a case—and I verify it—where a company overseas will take, we will say, $50,000 of a certain risk for the simple reason that the Canadian company was prepared to accept that risk. The Canadian company operates at its own expense; and then the United States and British companies, without any expense whatsoever, will proceed to write a risk on the same property.

What is more, they write the risk today, and in five years time they renew it, without any inspection or notice to those insured.

There have been cases in which warranty clauses have been slipped in, to the effect that if any of the others carrying a portion of the risk find it necessary to reduce that risk by a certain amount, the risk on which the warranty clause appears will be reduced automatically by the same amount. Who reads insurance policies? I believe the hon. member for Quebec South (Mr. Power) will agree that they are like something written on ice. No one reads those great long documents. They are not checked carefully. The owner may not be notified of such a warranty clause slipped in by a company in the United States or the United Kingdom. What I am saying may not be strictly relevant to the bill, but the point I make is that before we become too greatly involved in joint arrangements of this kind, which to my mind are not necessary, we should have an overhauling of the entire insurance system. Let us be on a parity with those who wish to join with us in the manner mentioned in the bill, so that we may feel that not only shall we have fair protection, but that the protection we do get, whether in respect of life, fire or indemnity, is of a kind which has been subject to the examination of our authorities. In this way we may be assured that we shall have the highest type of insurance coverage, such as is found in Canadian fire, life or indemnity policies, a coverage better than that found anywhere else in the world.

Let us keep this money in Canada. Let us not make it easy or soft for those conducting insurance operations to sit at their mahogany desks and control funds for which the minister is responsible. Let them be up and doing in their own line of business. Let them invest their trust funds as the people of Canada would want them invested, namely in Canadian enterprise of a kind which would be considered proper and right by the people of this country. Let us have money for the building of houses, first mortgage money, new enterprise money. Let us retain our Canadian money here for development, in view of the fact that at the present time we cannot get enough United States dollars for goods and services we would send to that country. Let there be some uniformity in the insurance legislation of this international body, before we become too greatly involved.

Mr. VICTOR QUELCH (Acadia): Mr. speaker, I believe the Social Credit group made its stand clear with respect to the Bretton Woods agreement when the bill was before the house. I realize that at this time it would not be in order to enter into a discussion of the international monetary fund and international banking. It has been said that the international bank would help to extend foreign trade. I believe all hon. members realize that the situation which has resulted from the shortage of United States dollars can never be remedied by an international monetary fund or an international bank of reconstruction. Apparently it is now recognized that we should help Europe by some form of mutual aid or lend-lease agreement.

When we were discussing the Bretton Woods agreement hon. members of this group stated time and again that the devastated countries of Europe could never overcome their difficulties through the Bretton Woods agreement. The only way to overcome them is by some form of mutual aid or lend lease. I remember when we pointed that out we were referred to as idealistic; it was said that we would never be able to get the other countries to agree to such proposals. I just want to remind the house that the stand we took three years ago on this question is being fully substantiated today when it is recognized on all sides that the devastated areas of Europe will have to be helped either by outright gifts or by some form of mutual aid. The kind of help they are able to obtain form the international monetary fund or the international bank will be merely a drop in the bucket.

We in this group oppose the bill generally on the ground that it will aggravate further our exchange position with the United States. I think the minister has stated that these insurance companies already have funds in the United States, but on the other hand I do not think the minister can guarantee that no Canadian funds will be used for the purpose of buying these securities. To the extent that Canadian funds are used for the purchase of securities of the international bank you will have to make those funds convertible into the currency of any other member state of the bank. That will mean generally that Canadian funds will have to be converted into United States funds. We are already facing a deficit of over $600 million with the United States, and if conditions continue we shall have to face one of $900 million by the end of the year. Therefore I cannot see much sense in bringing down a bill which will aggravate that situation. I think the minister appreciates that that is a serious situation; at least he emphasized it in his budget speech.

Then there is the other argument that it is not wise at this time to encourage the invest-

ment of Canadian funds in foreign securities. There is a great need for the investment today of Canadian funds in Canada because there are many projects that need developing. Why should we encourage Canadians to invest their funds out of the country when there are so many projects needing development here? Remember, the minister's predecessor emphasibed the fact that we would have to get United States capital into this country to provide us with venture capital. If we are continually to encourage people to invest their money in gilt-edged securities such as dominion bonds and securities of the international bank, we shall find it that much harder to get venture capital in this country.

So far as this group is concerned we are very much opposed to encouraging American capital to come into this country, because that merely means going into debt to the United States, thereby increasing our external debt. By encouraging people to invest their money in dominion bonds or the securities of the international bank you are discouraging the investment of Canadian venture capital in this country.

Will the minister indicate whether it is intended to refer this bill to the banking and commerce committee?

Mr. ABBOTT: No, it is not.

Mr. QUELCH: There are one or two questions I should like the minister to answer when we get into committee. I should like him to say whether this investment will still be strictly under the control of the foreign exchange control board. I take it it will be I should like the minister to state the rate of interest on the loan by the international bank to France, and also give us a break-down of the interest charged on that loan, the amount paid to investors, and the amount charged by the bank itself. I should like the minister to state what the Canadian quota of these securities will be—that is, how many securities Canada will have the right to buy.

Motion agreed to on division, bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

On section 1—Bonds, etc., issued or guaranteed by international bank.

Mr. CHURCH: This bill, involving millions of dollars, should not have been brought in in the dying days of this session, but having been brought in, it should go to the banking and commerce committee. What have the forty-eight states of the United States of America to do with Canada? This means the dissolution of the British empire. We are Canadians, a part of the British empire. Evidently the government now has no confidence in this international bank, and wants to unload it on the insurance companies as well. The more I think of it the more it reminds me of the man that broke the bank at Monte Carlo. Our insurance companies are dealing with trust funds, and we have no right to go over the heads of the shareholders and policyholders in those companies, with hundreds of millions of dollars of assets involved. According to statements made in the debate of 1932, one of these companies was on the verge of insolvency in that year on account of the way they had conducted their business. Parliament in the dying days of the session of 1945 put through the Bretton Woods agreement. That was not a settlement of international debts and never will be. It simply means that the United States, holding nearly ninety per cent of the world's gold supply, will be creditor to the whole civilized world. We should stop, look and listen before we interfere with our insurance policies, because that is what this is going to do. The government are afraid of the Bretton Woods policy which they supported in 1945 and are loading the responsibility now on to the insurance companies, which are hard enough pressed as it is to remain efficient after going through two world wars. Our first debt is to the policyholders and shareholders of these insurance companies. Again I ask that this bill be sent to the banking and commerce committee.

Mr. ABBOTT: There is no intention of sending this bill to the banking and commerce committee. As I said in my brief remarks on introducing the bill, it is a very simple one. It is purely enabling legislation to authorize the insurance companies, if they see fit, to invest in the securities of this international bank. This house approved the two institutions set up in the Bretton Woods Agreement Act of 1945, and approved this international bank. Along with the other members we have undertaken to introduce appropriate legislation to authorize our financial institutions, if they see fit to do so, to invest in the securities of this bank. As I pointed out in my opening remarks, its securities will be to a very large extent government guaranteed securites. The bank is set up on the principle that the members are responsible for four times their capital subscription. The United States subscription was $3,175 million, of which they have paid in

$635 million, and the balance is of course callable if it should be needed. This institution, whatever some members may think of it, is an attempt to restore the world to ordered trading conditions. It is perfectly true, as the hon. member for Acadia pointed out, that it cannot do the whole job, but it can help, and I for one strongly feel that Canada, which has perhaps more to gain by stable world trading conditions than any other country in the world, should do her part to see that this institution is a success. For that reason this legislation is introduced.

Mr. MacINNIS: Mr. Chairman, I am not an expert on these matters, but when I looked over the bill I thought it was, as the Minister of Finance has just said, a simple bill. I do not think it indicates, as the member for Broadview suggested, that the government has lost confidence in the international bank for reconstruction and development. I think it means the contrary, because as I understand it, the insurance companies can only invest in securities of which the government approves. I believe there is a provision to that effect in the Insurance Act.

Mr. ABBOTT: The act sets out what they may invest in.

Mr. MacINNIS: Yes, and if the government adds these securities to the list of investments in which life insurance companies can invest their funds, that is a sign of the government's confidence in the international bank. I think the bill should have been referred to the banking and commerce committee in order that witnesses could be called, if needed, to bring out any implications inherent in the amendment. However, as I said, I do not see any dangerous implications. It rather indicates that the insurance companies think the securities are a better investment than say investing money in the building of houses in Canada.

Mr. ABBOTT: May I reassure my hon. friend. The insurance companies have not asked for this amendment. It is a government amendment.

Mr. MacINNIS: I am glad the minister has mentioned that, because I was going to ask that question. So far as I am concerned, and I think I can speak for this group, I am not opposed to this bill.

Mr. IRVINE: I do not think there is any doubt that moneys of Canadian insurance companies which might be lent to the international bank are just as likely to come back to Canada in the form of loans as to any other country. But there is another phase upon which I should like the minister to express his view, and that is with regard to our own requirements in Canada. The funds of life insurance companies represent the savings of our people. They are surplus funds which if not immediately invested in the country from which they come will necessarily lead to a depression. I think therefore in keeping with the Bretton Woods agreement, and in keeping also with the international bank, the Canadian government should have set up, indeed should now set up, an investment board or investment bank publicly owned which will see to it that all the life insurance funds in Canada continue to be immediately invested to maintain our own economic system at home, and when that has been taken care of there is no reason why anybody should object to our doing our international part in any financial project which may lead toward the stability of trading between nations. But I do say that a very important point is involved, that it is possible that the funds which should be reinvested in Canada may be drained off and our own country left without the necessary purchasing power to keep our economic system going.

Mr. QUELCH: Investments of Canadians in the United States are strictly controlled by the foreign exchange control board. Will the insurance companies, under this measure, be allowed to buy all the securities they wish, or will the foreign exchange control board set a limit on the amount of foreign securities they may buy? If not, it is bound to have an adverse effect on our exchange position.

Mr. ABBOTT: Investments by Canadian companies in the securities of the bank will be subject to the Foreign Exchange Control Act. Insurance companies doing business in and having assets in the United States will be permitted to invest in the securities of the bank, but under present conditions they would not be permitted to convert Canadian dollar assets into United States dollars to invest in the securities of the bank. I think that answers my hon. friend's question. I would think that indirectly this might have a beneficial effect on our United States dollar position, because the bank, in making loans to European countries, as it has done to France and will no doubt do to others, will provide those countries to which we sell goods with the necessary United States dollar resources with which to pay us. I would say that indirectly this should have—I would hope it would have—a favourable effect on our United States dollar position on balance.

Mr. QUELCH: The great shortage in the world is United States dollars, to a far greater extent than Canadian dollars, and except to a very limited extent a country with an unfavourable balance of trade with Canada cannot get a loan from the international bank. So the bank would be of no help there. What was the rate of interest charged by the international bank on the loan to France?

Mr. ABBOTT: The rate was 3¼ per cent, plus a commission to establish a reserve against losses of one per cent, or a total rate of 4¼ per cent. There is a commitment charge of 1½ per cent on amounts not drawn. That is, if a country has a loan but has not made use of it, the interest rate will be 1½ per cent.

Mr. QUELCH: What rate will the bank pay on securities?

Mr. ABBOTT: I cannot say. It has not yet been announced, but the understanding is that a public offering will be made shortly, and at that time the terms and conditions will be made known.

Mr. QUELCH: The loans so far have been made out of the capital of the bank?

Mr. ABBOTT: That is correct.

Mr. IRVINE: Will the minister answer my question as to whether the proposals made in this bill would be likely to affect investments in Canada?

Mr. ABBOTT: I do not think it would have any effect, one way or the other, on the investment by Canadian insurance companies of their Canadian assets in Canada.

Mr. QUELCH: Why?

Mr. ABBOTT: Because for the time being at any rate they would not be able to convert their Canadian dollar assets into United States dollars.

Mr. QUELCH: Will that be the policy until the position with respect to United States dollars eases off?

Mr. ABBOTT: It is hard to make a commitment in perpetuity as to policy. That would be a matter to be determined by the foreign exchange control board, and a matter of government policy with respect to exports of capital.

Mr. CASE: The minister stated that the insurance companies have not asked for this legislation. I take it that the bank will have huge sums of money which it will be anxious to keep invested, that the real business transactions will be through the international bank; that is, the insurance companies will not be investing in foreign securities. I think the matter could be set at rest if the committee were assured that there is no thought of pressure being put on the banks or the insurance companies to make these investments. As long as it is voluntary on their part, I am satisfied to leave it to their judgment.

Mr. ABBOTT: I give that assurance in the most unqualified terms. There will be no pressure, direct or indirect, placed on the insurance companies to invest in these securities. It will be left to their own business judgment.

Mr. BENTLEY: Was this legislation not brought in at the request of the insurance companies?

Mr. ABBOTT: No, it has not been brought in at their request. I have no means of knowing whether they would invest in the securities, but I express the personal hope that they will consider it desirable to do so. At any rate, the legislation was not introduced at their suggestion, directly or indirectly. It is purely a government measure.

Mr. BENTLEY: But the minister, in reply to certain questions asked him by different members, said he hoped that certain things would be and certain other things would be. Now there must be good grounds for hoping or thinking, particularly if the legislation comes from his department and on the advice of his financial experts. He should be more positive than merely expressing a hope or thinking such and such. He should be able to say what will take place. Why is it so necessary at the present time that this should take place? When the Bretton Woods agreement was before the house—I am speaking for myself—I agreed to it, hoping that the international bank would do some good, but I do not see them taking a very active part in the international meeting held in London. I do not see them acting on the financial advice of those who are trying to bring about trade agreements. When will they do something which will vindicate the confidence that some of us had in Bretton Woods as a means of bringing about world peace and improved international relations?

Mr. ABBOTT: As its name implies, this is an international bank for reconstruction and development. It is not to provide loans for the purchase of wheat, for example, or to negotiate a wheat agreement. It is an institution that is new. Nothing of its sort has been tried before, and it is hoped that it will help to provide financial resources for the war-devastated countries in Europe to enable them to reconstruct their economies and do what is necessary to produce goods to export to us in order to pay for goods that we may

send them. The hon. member wishes to know why we should do it now. For this reason. We are a partner, along with many other nations, in this International Bank for Reconstruction and Development. It is about to make its first issue of securities to the public, and if I may express a personal view I think it is desirable that we should take our place along with the other partners and not have it said in the United States that they are the only people who are doing anything in this direction. We must not have them say, "We are going to put up all the money while Canada is not doing anything about it". We are a partner in the thing and we have an interest as great as or greater than that of almost any other country in working out suitable financial relations; and, having approved the principle two years ago, we must I think take our proper part in carrying it into effect. That is the only reason for it now. When I was approached as Minister of Finance and was advised that there was about to be an issue of securities, as contemplated from the beginning, I assured the management of the bank that I would introduce the bill into our parliament not later than the middle of June and endeavour to have the house pass it as quickly as possible. That is the reason I am bringing it in now.

Mr. QUELCH: Did the international bank make a request that the government pass this legislation?

Mr. ABBOTT: In my capacity as Minister of Finance I am a governor of the bank, representing Canada, and the president of the bank asked me if we were prepared to introduce this legislation at this session. I assured him I was prepared to bring in a bill and that is what I am doing.

Mr. QUELCH: I believe one or two states in the United States refused to pass legislation. I understand it has been turned down by some.

Mr. ABBOTT: I have heard of two. The principal states I mentioned in my preliminary statement are New York, New Jersey, Pennsylvania and California. My hon. friend will appreciate that they are some of the largest and wealthiest states, and the states in which some of the wealthier insurance corporations have their headquarters. Perhaps it would not be of tremendous practical significance if one or two of the smaller and less wealthy states were not to amend their laws.

Mr. CHURCH: The object of this bill is to amend the Canadian and British Insurance Companies Act of 1932 and the Foreign Insurance Companies Act of the same year.

All this legislation that we are now passing is linked up with Bretton Woods. If it had not been for Britain the United States would have been invaded during the first two years of the last war. I do not see why the government should drive the insurance companies into the position of coming to the support of a bank the functioning of which will mean the end of preferences and of freedom of trade and the dissolution of the British empire. It simply means that, so far as we go, we are aiding the government in getting itself out of the great difficulty it got into by passing Bretton Woods. I have been greatly interested in what a financial writer in England, a man of discernment, had to say about the Bretton Woods agreement and what we have done in this parliament, not only in December, 1945, but now. He states:

> The proposals are inconsistent, but the attack on imperial preference and on the very existence of the empire itself is now complete. Chapter 3 provides for the use of quotas to safeguard the balance of payments. Provision for the use of tariffs for this purpose would have afforded recognition of a principal function of imperial preference to maintain effective reciprocity and thereby an equilibrium in the balance of payments. Preferences are to be eliminated but tariffs are merely to be reduced. Most-favoured nation tariff rates are to be lowered to the level of preferential rates. The most-favoured-nation principle is to be applied internally to the countries of the British empire. Universal expansion of production through effective reciprocity is to be sacrificed to American expansionist policy.

What he says is quite true. We are going even further than the 1911 reciprocity proposals to make this country a hewer of wood and a drawer of water for the United States. This writer continues:

> Any fiscal concession made by the United States could be only a token for the American tariff is at such a level as to allow of substantial reduction without impairing its efficiency. No American tariff concession could be genuine unless bilateral action provided for a specific flow of two-way trade. Indeed, to follow the process to its logical conclusion, there would be preferential arrangements independently by each of the states of the American union to the rest of the world. Yet even such action as this would not materially increase the participation of the outside world in the American market because the fiscal policies of the United States have consolidated its internal production and trade and created a highly developed autarchy.
>
> Imperial preference represents a principle which should be inviolate and which should not be open to discussion with any foreign power. No concession which can be made by any foreign power could compensate for the elimination of imperial preference. In the place of any such surrender, the most-favoured nation clause should be abolished.

I want to read one or two other paragraphs. This is a great writer in the *National Review*,

a paper which along with many others in England, has attacked these proposals. For us to compel these insurance companies—because this is a mandatory act; this is a statute—to make these investments is wrong. The insurance companies are to be compelled to lend your policy money and your trust funds, and the shareholders have been interfered with also. This article goes on to say:

The abrupt termination of lend lease in August, 1945, was the occasion for the opening of negotiations in Washington. On December 6, 1945, an economic and financial agreement was concluded by the governments of the United Kingdom and the United States.

We concluded one a few days later, on December 8, 1945.

The granting of a line of credit by the United States to the United Kingdom follows the clearly defined pattern of United States foreign policy since 1933 evidenced by the Anglo-American trade agreement of 1938, the Atlantic charter, the mutual-aid agreement, the Hot Springs, Bretton Woods and Dumbarton Oaks proposals, the international civil aviation conference and the charter of the united nations. The agreement is determined by the most-favoured nation principle and expansionist policy.

A commercial charter has been distributed and is the basis of an international conference on trade and employment. The establishment of an international trade organization within the economic and social council of the united nations organization is proposed. The aim is a planned economy and world government.

That is what you are speaking about now.

It is assumed that sacrifices in the common cause were sufficient to warrant the cancellation of the British debt to the United States that arose from the first world war.

They should have been cancelled long ago because Britain protected the shores of the United States.

The benefits received by Britain and the United States in the defeat of their common enemies are deemed to justify the complete and final settlement of lend lease and reciprocal aid in the second world war.

The line of credit is granted exclusively to the United Kingdom and the proceeds will be devoted to purchases in the United States. This constitutes an extreme case of "discrimination" and illustrates the privileged position claimed for money transactions. If the full credit is employed and repayment made over the full fifty-five year period, interest will amount to $2,212,500,000. Repayment could be assured, even at a higher rate of interest, if the proposals for consideration by an international conference on trade and employment were drastically altered.

This is absolutely correct. Why should we go over the heads of the insurance companies and compel them to lend these trust funds to the international bank? I can tell you this: I am surprised that this bill should be introduced in the dying days of this parliament. Certainly it should be considered by the banking and commerce committee, where the insurance companies could be heard. Look at the trouble we got the insurance companies in in 1932. Read the report of the superintendent of insurance with regard to what happened in the United States, and the policy of dealing with common stock, where millions and millions of dollars in trust funds were lost. I say if hon. members will read the report of the superintendent of insurance they will have a different idea of the whole matter.

Section agreed to.

Sections 2 and 3 agreed to.

Title agreed to.

Bill reported.

Mr. DEPUTY SPEAKER: When shall the bill be read a third time?

Some hon. MEMBERS: Now.

Mr. BLACKMORE: Next sitting of the house.

Mr. DEPUTY SPEAKER: Mr. Abbott moves, seconded by Mr. Mackenzie, that Bill No. 337 be now read a third time. Is it the pleasure of the house to adopt the motion?

Mr. CHURCH: On division.

Mr. BLACKMORE: On division.

Bill read the third time and passed.

SASKATCHEWAN NATURAL RESOURCES

PUBLIC SHOOTING GROUNDS AND BIRD SANCTUARIES —CONFIRMATION OF DOMINION-PROVINCIAL AGREEMENT

Right Hon. C. D. HOWE (Acting Minister of Mines and Resources) moved the second reading of Bill No. 174, to vary the Saskatchewan natural resources agreement.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

Section 1 agreed to.

On section 2—Agreement confirmed.

Mr. GREEN: Is the minister not explaining this bill?

Mr. HOWE: This bill is simple in form, and the explanation given in the bill itself is complete. The explanatory note reads as follows:

The purpose of this bill is to confirm the agreement between the government of the Dominion of Canada and the government of the province of Saskatchewan set out in the schedule to the bill.

Under the Saskatchewan Natural Resources Transfer Act, 1930, certain public shooting grounds and bird sanctuaries were preserved.

Many of them have now dried up or are otherwise unsuitable for the purpose for which they were originally set aside. The agreement in the schedule provides that these reservations may be cancelled by agreement between the two responsible ministers concerned with the approval of the governor in council and the lieutenant governor in council.

The agreement follows the form of the agreement with the government of the province of Alberta which was approved in 1945.

Section agreed to.

Title agreed to.

Bill reported, read the third time and passed.

MARITIME COMMISSION

PROVISION FOR DUTIES AND FUNCTIONS UNDER CANADA SHIPPING ACT

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply) moved the second reading of Bill No. 336, to establish the Canadian maritime commission.

Mr. GREEN: Is the minister going to make a statement on second reading?

Mr. HOWE: I made a complete statement on the resolution, and I think nothing further is required from myself at this time.

Mr. H. C. GREEN (Vancouver South): This Bill No. 336 is described as an act to establish the Canadian maritime commission. The official opposition approve the setting up of a maritime commission for Canada. As a matter of fact we have advocated such action for several years; and there are very good reasons for setting up such a commission. For example, there is the importance to Canada of our foreign trade. Then there is the importance of having assured and dependable shipping services. That would include, of course, having the actual shipping, having the merchant seamen to man the ships, having the men to direct the operation of these shipping activities, and having the facilities for shipbuilding. There is also the importance from the point of view of naval protection. That point was clearly put by one of our senior Canadian naval officers, Admiral Victor Brodeur, who said on November 24, 1943:

> It is incorrect to think that a strong sea power can be obtained by building a strong fighting navy alone. To have real sea power a nation must also have a strong merchant navy.

Those words, I think, will be approved by every hon. member. There is also the importance to Canada of having men in a position to take part in international councils dealing with questions of shipping. That, too, is an important factor.

You know, Mr. Speaker, Canadians are a maritime race. While very little is said in this house about maritime questions the fact remains that from the start Canadians have been a maritime people. Take those Canadians who live on the Atlantic coast. At one time maritimers were the leading shipping men of the world, and they had a wonderful record both in the actual building of ships and in their operation. Then on the St. Lawrence river we have had a long line of distinguished seamen, largely French-speaking Canadians, who have made a great name as a maritime people. Again, on the great lakes, we have a tradition as a maritime nation. For decades the many ports along those lakes have turned out men interested in ships, even though they did not have the smell of salt water to call them to sea. Of course on the Pacific great interest has always been taken in shipping, and probably it will always remain one of the greatest businesses on that coast. Even on the prairies, where they have only a few large lakes, there is great interest in shipping. It always intrigued me that during the recent war such a large percentage of the men in the Canadian navy should have come from the three prairie provinces; and they made splendid sailors. Time and again references have been made in this house to the type of naval men coming from the prairie provinces. So I repeat that Canadians are a maritime race, and for that reason as well as the others I have given, this bill is of great importance.

The war gave a tremendous impetus to shipping and shipbuilding in Canada; there was a great increase in the interest taken by the people of Canada in shipping; and we now find ourselves with the ships to constitute a merchant navy and with the trained personnel to man them. The other evening the minister gave some interesting figures, which are to be found at page 4203 of *Hansard*. There he listed the Canadian tonnage at the present time. According to those figures, we have 153 ocean-going ships totalling 982,869 tons. In addition we have eighty ships at present with the British ministry of transport, with a total tonnage of approximately 560,000. I understand that those ships will be coming back to Canada within a comparatively short space of time. The minister also listed canal freighters and tankers numbering 146, with a total of 285,454 tons. Then he added the west coast passenger boats, sixteen in number, with a total tonnage of 51,235, and the Saint John-Digby ferry with a tonnage of 4,055. This made a total of 316 ocean-going ships in Canada today, totalling 1,323,613 tons, in addition to the eighty ships I referred to previously, now with the British ministry of transport. As

hon. members will realize, that is quite a sizeable merchant navy. The minister also gave us some figures with regard to Canadian shipyards; at page 4204, where he said:

The Canadian shipbuilding industry today comprises seventeen major well-equipped shipyards, and there are also a number of smaller ship and boat building concerns. During the peak of our war effort there were 53,000 men employed on shipbuilding in these major yards alone. Today they have over 16,000 men in their employ . . .

I thought he might have gone on to give us the number of men in the merchant navy, but perhaps he will do that at a later stage in this debate. The minister will correct me if I am wrong, but I understood that at one time during the war there were about 18,000 men in that service.

In view of these facts it was natural that there should be widespread demands for policies to ensure that we maintain our position as a maritime nation. Those demands have been heard in the House of Commons, not only from members of the opposition, but also from government supporters. I remember that last year the late member for Halifax, Mr. Macdonald, made a plea for the setting up of a maritime commission, and a very fine plea it was. Then there have been demands from union leaders across Canada, leaders of unions interested in the merchant navy. For example, I think most hon. members received a copy of the brief of the Canadian seamen's union entitled "The immediate needs of Canada's shipping industry," and it was a very good brief, too. The shipbuilders have made similar demands. As far back as 1944 they submitted a brief for shipbuilding, with recommendations by the Canadian shipbuilding and ship repairing association. The ship operators have also been in favour of the setting up of a commission. Only this morning I received the 1946 annual of the Canadian Merchant Service Guild. It contains an interesting article headed "Required, a strong government policy". I shall read two paragraphs from the article which is on page 10:

Our dominion government must come forward soon with a strong policy to build up our merchant fleet. We have the nucleus of ships and men. Training establishments must be augmented; men encouraged to man our ships in the same way they manned our wartime navy; long-term government assistance must be given to our shipping companies to build modern tonnage.

We have a good fleet of general carriers. We must now build tonnage for special routes and trades. Our government must provide long-term loans to build Canadian flag tonnage on the basis of comparative costs in Canada and elsewhere. We must build passenger ships for our coastal and offshore trades. We must build refrigerated ships to place our farmers' produce in every foreign market at our pleasure at the time when our farmers will benefit most.

As I have said, there has been a widespread demand for a shipping policy in Canada. The government has not always been in favour of such a policy. Back in 1943 those of us who were interested in establishing a Canadian merchant navy got quite a shock when we read a statement made by the then Minister of Transport, Mr. Michaud. I read the following from a newspaper article of December 24, 1943, in which the then minister is reported as follows:

"I see no future in Canada going into the shipping business on a big scale after the war." The minister told the Canadian press "some of the ships might well be used to develop trade between Canada and the West Indies and South America, but to enter competition in trade across the Atlantic and Pacific would be a big undertaking."

In 1943 what I believe was an interdepartmental committee was set up by the government. The Minister of Reconstruction and Supply (Mr. Howe) referred to it the other night when he said, as reported at page 4197 of *Hansard*:

In October, 1943, the government appointed a special committee to investigate and advise upon future Canadian merchant shipping policy. Two important recommendations of this committee were: that merchant ships should be operated in peacetime by private enterprise; and that all government machinery dealing with merchant shipping should be coordinated. The first of these recommendations has already been fully implemented. The resolution now before the committee seeks to provide the second.

While I assume this was an interdepartmental committee, I believe persons interested in shipping, including representatives of the unions, of shipbuilding firms and of ship operators were called in. Apparently that committee have been working for three years. It would be of great help to us if the minister would table the report submitted by them. I should think that report would be worth while, because obviously these men have given shipping and shipbuilding careful consideration. Today however we are not in a position to refer to their recommendations.

Last year the minister was questioned about the setting up of a maritime commission. His statement appears at page 4994 of *Hansard* where he explained that the present functions with regard to shipping and shipbuilding are being handled by several different departments. Then he went on to say that some progress was being made in the drafting of a maritime act to be administered by a mari-

time commission, and promised that legislation would be brought down this year to set up such a commission.

We now have before us the bill setting up the commission. So far as it goes, it is all to the good. But for all practical purposes it does no more. It lays down no policy whatsoever for the development of Canadian shipping and shipbuilding, and for that reason it is a disappointment. It does not implement any policy, and it would seem the government has not yet worked out any policy for the development of Canadian shipping and shipbuilding. Apparently the government is carrying on without a policy, relying on the fact that there is still a demand for the construction of new ships, and also plenty of work for ships now operating. But it will not be long before Canada will have to have a definite shipping and shipbuilding policy.

The functions of the maritime commission, as set out in bill 336, are largely of an advisory nature. They are directed to the studying of various features having to do with shipping and shipbuilding, and the commission is directed to find facts in certain other respects. I submit all that should have been done before this by the interdepartmental committee—and I have no doubt that to a great extent it has been done. There does not seem to be much reason for setting up a maritime commission merely to carry out another investigation of the whole problem.

It is true that the new commission is given certain minor administrative functions, but those functions are not extensive. For example, the commission is directed on behalf of the Minister of Transport to exercise and to perform such powers, duties and functions of the minister under the Canada Shipping Act, 1934, as the minister may require. So obviously they are to have some of the administrative functions now exercised by the Minister of Transport. The commission is also directed to administer, in accordance with the regulations of the governor in council, any steamship subventions voted by parliament. That function now comes under the Department of Trade and Commerce. Then it is directed to exercise or perform any other powers, duties or functions conferred on or required to be performed by the commission by or pursuant to any other act or order of the governor in council. This last provision is merely a blanket instruction.

I repeat that this bill is only a beginning, and there are certain facts in connection with it which should be considered by the house. In the first place, the bill is in general terms, leaving it to the Minister of Transport to fill in the gaps. Legislation of that kind is unfair to the house, but we have had a lot of it from the Minister of Reconstruction and Supply. I am afraid he has a bad habit of bringing in bills that are merely shells. He sets up the framework, and then reserves to himself, or in this instance to the Minister of Transport, the power to put in all the filling. That is a bad kind of legislation to bring before any legislative chamber.

In the bill the powers and duties of the maritime commission should be clearly defined. It should also set out government policy with respect to shipping and shipbuilding. That has been done in the United States. There they have what is known as the United States maritime commission, which was set up by an act of 1936. At the beginning of the bill establishing that commission we find this declaration of policy:

> It is necessary for the national defence and development of its foreign and domestic commerce that the United States shall have a merchant marine (a) sufficient to carry its domestic water-borne commerce and a substantial portion of the water-borne export and import foreign commerce of the United States and to provide shipping service on all routes essential for maintaining the flow of such domestic and foreign water-borne commerce at all times, (b) capable of serving as a naval and military auxiliary in time of war or national emergency, (c) owned and operated under the United States flag by citizens of the United States in so far as may be practicable, and (d) composed of the best equipped, safest, and most suitable types of vessels, constructed in the United States and manned with a trained and efficient citizen personnel. It is hereby declared to be the policy of the United States to foster the development and encourage the maintenance of such a merchant marine.

We have absolutely no provision of this type in the Canadian bill, nor did the minister define any such policy in his statement the other night on the resolution. He is simply bringing in a skeleton bill setting up a maritime commission. In the United States act we find these duties given to the United States maritime commission:

> It shall be the duty of the commission to make a survey of the American merchant marine, as it now exists, to determine what additions and replacements are required to carry forward the national policy declared in section 101 of this act, and the commission is directed to study, perfect, and adopt a long-range programme for replacements and additions to the American merchant marine so that as soon as practicable the following objectives may be accomplished:
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> First, the creation of an adequate and well balanced merchant fleet, including vessels of all types, to provide shipping service on all routes essential for maintaining the flow of the foreign commerce of the United States, the vessels in such fleet to be so designed as to be readily and quickly convertible into transport and supply vessels in a time of national emergency. In planning the development of such a fleet the commission is directed to cooperate closely with

the navy department as to national defence needs and the possible speedy adaptation of the merchant fleet to national defence requirements.

Second, the ownership and the operation of such a merchant fleet by citizens of the United States in so far as may be practicable.

Third, the planning of vessels designed to afford the best and most complete protection for passengers and crew against fire and all marine perils.

Another point about the present bill is that it does not coordinate all government machinery. The understanding given to us the other evening was that the bill would coordinate all government machinery having to do with shipping and shipbuilding. The bill simply refers to some of the functions to be performed under the Canada Shipping Act and to the subventions. The minister knows that there are many other governmental activities having to do with shipping and shipbuilding.

In the third place, there is nothing in the bill about replacing ships as they become obsolete or of making additions to our merchant fleet or keeping the fleet up to date. We may have a good merchant fleet at the present time, but it is not going to be up to date for very long. Other maritime nations are constantly making improvements in their vessels and we cannot be satisfied with the fleet as it was during the war. There must be some provision made for keeping our merchant fleet modern.

For example, there is the question of types. How are we to get the new types of ships in Canada? The United States dealt with that problem in their bill setting up the United States maritime commission. They made provision for the setting up of a fund for the replacement of ships and sooner or later Canada will have to do something along that line. As I say, there is no provision whatever for it in the present bill.

There is nothing in the bill either for the protection or training of merchant seamen. The United States have a provision in their bill, and I quote from section 301 (a):

The commission is authorized and directed to investigate the employment and wage conditions in ocean-going shipping and, after making such investigation and after appropriate hearings, to incorporate in the contracts authorized under titles VI and VII of this act minimum-manning scales and minimum-wage scales and reasonable working conditions for all officers and crews employed on all types of vessels receiving an operating-differential subsidy.

There are further provisions in that particular part of their act having to do with merchant seamen. There is also provision for two kinds of subsidies. First of all, for what they call the construction-differential subsidy; provisions are laid down at some length for subsidizing the construction of ships. There is no such provision in the Canadian bill. Then the United States provide for an operating-differential subsidy. It may be that Canada under her subventions and subsidies policy has much the same feature, but it is not set out in the bill. At the present time subventions come under the Department of Trade and Commerce. There is no explanation of how Canada is to subsidize the operation of her ships or whether or not she is to do it at all.

The United States have another interesting provision in their act under the heading of "Private charter operation." Their commission is given the power, if it is necessary, to build ships and to construct them where they wish. Section 702 reads:

The commission is authorized to have constructed in domestic yards, on the Atlantic and gulf and Pacific coasts, such new vessels as it shall determine may be required to carry out the objects of this act, and to have old vessels reconditioned or remodeled in such yards: provided, that if satisfactory contracts for such new construction or reconstruction, in accordance with the provisions of this act, cannot be obtained from private shipbuilders, the commission is authorized to have such vessels constructed, reconditioned, or remodeled in United States navy yards.

In the Canadian bill there is nothing whatever about placing shipbuilding work in different parts of Canada. Apparently the government has no policy with regard to having shipbuilding done, say in the maritimes or on the Pacific. There is no provision whatever for diverting traffic through Canadian ports, instead of having it go through United States ports as has been happening in recent months. There is no indication as to whether it is government policy to restrict coastal trade to Canadian vessels.

I repeat, the bill is a framework. I think it must be described as a shell and largely window-dressing. Perhaps it was intended to cover up the fact that the government has no policy whatever.

Mr. HOWE: It has some ships; that is better than having a policy.

Mr. GREEN: We had a hard time to persuade the minister to build the ships. Apparently this bill is the best we can get at the present time. I hope it will be improved before very long. I would urge upon the minister that he take certain actions in connection with the bill. For example, I suggest that practical men be put on the commission which is to be composed of three members. It would seem reasonable that there should be a man who understands the labour point of view, a man who understands the out-

look of the shipbuilders and another who understands the outlook of the ship operators. Perhaps it would be well to have the views of these groups as to nominations for membership on the commission.

A very good feature of the bill is the one providing for advisory committees. I am not quite clear, from reading the bill, whether it is the intention to have an advisory committee in the maritimes, another on the St. Lawrence, another on the great lakes and one on the Pacific coast, or whether the advisory committees are to be made up of representatives from labour, shipbuilding and ship operators. But any rate I think it is a very wise plan to have these advisory committees.

The bill makes provision for the hiring of personnel. Apparently what the explanatory note describes as "regular officers, clerks and employees" are to be civil servants, but whether the word "regular" means only the small-paid jobs or just what it does mean is not clear. There is provision in the bill for the commission to engage direct professional and technical advisers and assistants. The minister should give consideration to having all of the personnel employed through the civil service commission, which has been bypassed far too often in legislation enacted in the last few years.

I would urge the minister not to insist upon setting up this maritime commission as a crown company. I pointed out earlier that its functions are largely advisory, with certain minor administrative duties, but I do not think these duties go beyond those carried out by many departmental branches. This commission seems to resemble the air transport board which was set up two or three years ago and was not set up as a crown corporation. I would urge that the minister keep this commission, for the time being at least, as a branch of the Department of Transport, thereby keeping it much more closely under parliamentary supervision.

The other evening the minister was asked, during the discussion on the resolution preceding the bill to establish a dominion coal board, why it was that he was setting up that board as a crown corporation, and I thought his reasons were not very good. They were in fact rather amusing. The minister gave this explanation at page 4249 of *Hansard:*

> My hon. friend asked why this commission should take the form of a corporation. I shall have to get a more satisfactory answer to that question than I can give offhand. All I can say is that for a commission to operate and do business it seems to be necessary that they be formed into a corporation. All the commissions I know of that operate around Ottawa are formed into corporations;--

There are quite a few that are not. The minister went on:

> —for example, the national research council is a corporation; as is the national harbours board.

The national harbours board owns property all over the country and has far more widespread operations than this commission will have. The minister went on:

> I could mention others. I do not know why, other than that a corporation is a convenient form. It provides convenience of accounting and an accepted pattern for doing business that is lacking when three men simply form themselves into a committee.

You see, Mr. Speaker, companies in Canada are organized to do business, not to perform functions of government, but the minister seems to have forgotten that fact. Every year more of these crown companies are being launched. They are like small planets breaking off from the sun and the minister is the champion planet launcher in the cabinet. Certainly, if the government is to persist in establishing these crown companies we must have a committee of this house whose duty it will be to act as watchdog on these crown companies.

Mr. D. KING HAZEN (St. John-Albert): Mr. Speaker, when this bill was before the house last week, the minister, if I remember correctly, stated that there were 16,000 men employed in our shipbuilding yards and that they had orders in hand for 122 various ships, which total, roughly, 300,000 gross tons. He went on to say:

> The fact of the matter is that every major shipyard in Canada has all the work which it can do for the next twelve or eighteen months, which is a situation that I hope the maritime commission will be able to maintain over the years as the Department of Reconstruction has been able to maintain it over the past five or six years.

I asked the minister at that time if he could tell us where the 122 ships were being built or would be built and how many men were employed in each of our shipbuilding yards. He told me at that time that since I lived in Saint John, where the only major New Brunswick shipyard is located, I should be able to tell him the number of men employed there, and, I presume, the number of ships being built. I have no information as to the number of ships being built or the number of men employed in shipbuilding in the province of Nova Scotia. The minister went on:

> I will try to give that information when the bill is being discussed.

Could the minister now tell us where the 122 ships are being built or will be built and how many men are employed in each of the

major shipyards? When the minister said, "The fact of the matter is that every major shipyard in Canada has all the work which it can do for the next twelve or eighteen months," I should like to tell him that from the inquiries I have made at the shipbuilding yard in the port of Saint John, which he says is one of the major yards, no ships are being built there at the present time.

Mr. C. C. I. MERRITT (Vancouver-Burrard): Mr. Speaker, the hon. member for Vancouver South (Mr. Green) has pointed out that this bill sets up a maritime commission but does not announce any policy. Indeed it admits that the government has no specific policy for the maintenance of Canadian steel shipbuilding in the post-war years. This is so, despite the fact that we have heard so much of a maritime commission bill in the past year, and despite the fact that all those in Canada interested in shipbuilding expected great things from the bill and from the minister. I think they will be sadly disappointed by the complete absence of any policy in the bill. This is another government promise without any performance. It is the kind of promise that can be evaded very easily when it comes to taking steps to implement it in the future. It looks to me as though this will be another case where this government will act one or two or three years too late in setting up a policy to cope with this problem, which will be a great problem if we are to maintain 16,000 people employed in the shipyards in peace time after the present war-stimulated demand for ships has lessened.

I am very apprehensive that we shall find that shipbuilding will be treated in the same way as housing, defence and immigration have been treated. We shall find that, whatever policy is finally put into effect, it will be a little too late. Even though it may be a good policy, it will be too late to have its proper and full effect to carry out the purpose for which it was intended. To my mind, matters of this kind depend so much for their success upon them being ready and launched in time. In 1947, two years after the war, the government, having failed to produce a policy to ensure that steel shipbuilding will continue in Canada in the post-war years, is keeping shipyards and ship operators, and those who work in these shipyards, in a state of uncertainty over the future. There is nothing like uncertainty to create inefficiency and to dry up an industry. Unless, therefore, continuity between the present demand for ships and shipbuilding and the demand in future years is assured by a policy which will carry from the reconversion period into peace, there is considerable danger that we shall lose the steel shipbuilding industry in this country, an industry of which the minister has many times said, and rightly said, that he is proud.

We do not find in the sections of the bill any determination of many points of policy that are well known to the minister and to everyone who has studied the matter. Thus even if that commission gets going now we cannot have any recommendations they might make implemented until 1948 at the earliest, when the act could be amended, and probably not until 1949. That will be three or four years after the end of the war. When we bear in mind that it takes about two years to build a ship from the time it is originally decided to build it, it may well be that we shall be past the time when there is a demand throughout the world for shipbuilding facilities, and that Canadians engaged in the shipping trade, who have no assurance from the government as to what the future of the trade will be, will have to forget their natural inclinations to deal in Canada, and go elsewhere to place their orders for ships, getting the best terms they can.

This commission is set up to perform, under the Canada Shipping Act, certain duties which somebody else is now doing; to administer subsidies which are now being paid by some other department of government; to make investigations which, I believe, have already been made to a considerable extent and which certainly should have been made by the officials of the Department of Transport in the past. One of its chief purposes, too, is to make a policy which the government should have made years ago. I think that people interested in this business have considerable cause for alarm. When I say that, I am not unmindful of the fact that everyone expected a much more definite and forward policy than this.

I want to ask the minister, when he replies, to tell us why we could not have that long-term policy for the maintenance of a steel shipbuilding industry in Canada now. The member for Vancouver South referred to what the minister said, as reported at page 4197 of *Hansard*, about the interdepartmental committee on shipbuilding which was set up in 1943, and which reported, I presume, within a year or so from that date. They must have made recommendations as to what would be required if we were to keep the industry in Canada. Great Britain, the United States and Australia have all announced their policies; those in United States and Great Britain were announced before the war, and

Australia's in the summer of 1945. They know definitely what they will do, but again, Canada does not know.

I would ask the minister why there is this delay in announcing a policy. I would point out to the house that the establishment of the broad lines of any shipbuilding policy does not require any basic research. We have ample examples of what can be done and what has been done in practice in other countries, and in other countries which have the same system of government as ours and the same problems and needs. The United States maritime commission administers restrictions on coastwise trade; the retirement of old vessels, and their scrapping or sale abroad in order to keep the merchant fleet modern; and already, even since the war, some of the old United States ships have been sold into Canada. I understand that two which are forty-six years old came under the Canadian flag in 1945. These old ships are not the kind we should have in our merchant marine.

If you look at the history between the wars you find that many United States ships were sold into the Canadian trade, more than were constructed in Canada, and again these ships were brought from the United States when they were very old. While I do not know this of my own knowledge, I would not be surprised if some of these ships had been sold from under the American flag by reason of the policies of the United States maritime commission.

I suggest that there is not a great deal of time to wait before deciding whether we shall allow other countries with a maritime policy to dump old ships on us or to compete with us by means of special assistance.

In Great Britain, the British shipping assistance act was passed in 1939. Under that act a definite policy of loans and grants for the construction and operation of tramp steamers was provided, and in particular a "liner defence committee" was set up which had the specific purpose of administering subsidies in the construction and operation of liners, if these liners were meeting foreign subsidized competition, and not otherwise.

The minister, at page 4209 of *Hansard,* in his remarks in the resolution stage, was asked by the hon. member for Vancouver South whether it was government policy to subsidize shipbuilding in Canada. I wonder what the minister meant by saying, "No, not at the present time"? It seems to suggest that at some time in the future he might be considering subsidizing ship construction in Canada. Then again, if that is his intention, I say, why leave the matter in doubt? Why leave it uncertain? It is all very well to say that the shipyards have a considerable number of orders on hand at the present time, but that will not continue indefinitely. Delay in the determination of this important question can do a great deal of damage.

Earlier in his statement, and referring to the duty of the commission, the minister said, as reported at page 4209 of *Hansard,* that it will be its duty:

> . . . to recommend such incentives as may be needed to induce private industry to build a different type of ship or to modernize its fleet; and certainly it will be the function of the commission to advise the minister of any steps that should be taken to stimulate shipbuilding in Canada and make it competitive with shipbuilding in other countries.

I want to urge the minister to make very sure that he take those steps in time, if he is to take them at all; I think this government has given us plenty of evidence on the other matters I have mentioned, such as housing and immigration, that it is not always inclined to do things in time. If we are to maintain steel shipbuilding in Canada, we must depend primarily upon our own shipowners and operators to provide the solid core of any continuing shipbuilding business. Those operators are not catered to at all in this bill. They must know the conditions they face if they are to make their commitments far enough in advance. If they are to assume that there is no government policy, they will be obliged to look around and shop in world markets and to make sure that they protect themselves adequately against possible recessions in business in the future. If, as is quite commonly talked of and practised, I believe, in many maritime countries, there are to be any special considerations given to those shipowners in order that they may build up funds wherewith to build new ships in Canada, the longer that policy is delayed, the less able will be those shipowners to carry on in the face of bitter competition, which may arise in future years.

In Canada our shipbuilding is under the competitive disadvantage that our wage scales are high and we have not a long history of steel shipbuilding behind us so that we may produce with much greater efficiency than other countries. If the minister really intends that there shall be a continuing industry in Canada, I am sure there is nothing which could be more important than that the industry and the people working in it should have the assurance that they can go into it,

improve their methods, and be secure for some time ahead in the carrying on of that business and making it competitive with that of other countries.

Another thing which I consider would cater to the continuation of the industry, and which, I understand, is not now being done, is the making available to the shipyards of an adequate supply of steel. I am well aware that the minister has difficulties in dishing out steel to everyone in Canada who needs it, but I understand that the present allotment of steel to shipyards is not sufficient to enable them to gain the greatest efficiency of effort and to meet delivery dates as certainly as they might otherwise be able to do. Without criticizing the minister's policy in this respect, I suggest to him that one thing which could be done to keep the shipyards in operation for a long time in the future, would be to make sure that they get enough materials so that they may accept orders which are coming to Canada in these times of great demand and build up a reputation around the world for Canadian ships and for meeting delivery dates certainly.

I cannot help feeling that this bill which was brought in with a great deal of eclat and grand references—and most proper ones—to the good job done by the Canadian merchant fleet during the war, could be just a stall, although I am not saying it is. It could be that the government is talking big, but is really hedging its bets on whether or not we are to have a continuing shipbuilding industry in Canada. That doubt will remain in my mind until the government has said yes or no to the definite principles which have been followed by other countries in the development and maintenance of their shipbuilding and ship operation programme.

Mr. ANGUS MacINNIS (Vancouver East): I hesitate to speak on this bill because, from reading it, I was not clear as to its ultimate purpose. The minister may have it all worked out as to what the functions of the maritime commission are to be and how it will fit into the Canadian shipbuilding industry, but at the moment I do not think it is clear in the bill. On the other hand, I am equally in the dark after listening to my two hon. friends from Vancouver. I do not know exactly what they want. Do they want the government to subsidize shipbuilding? Perhaps that would be a risky business at this moment. I do not know. However, in my opinion, if the government is to have a definite shipping programme, it is inevitable that it should go into the shipbuilding and ship operating business and do it for the economic benefit of Canada, without insisting that it pay its own way at all times.

I was not in the house when the minister made his statement in moving the resolution, but I read what he said at that time.

It is interesting to note what happened following the first great war; because if we have not a programme somewhat different from the programme we had at that time the same thing is likely to happen now. I should like to read a very short paragraph from the minister's statement, at page 4195 of *Hansard*. He pointed out that as at 1919 the government owned some sixty-three ships; then he said:

> The entire fleet therefore only commenced to earn revenue after the armistice; and by the time all the ships were in service the post-war boom in shipping was over and freight rates had dropped more than fifty per cent. The cost to build this fleet at the peak of shipyard prices was approximately $80 million.

If on this occasion the government-owned ships had not been disposed of earlier than was the case on the former occasion, the government might have been able to take advantage of the high shipping rates and the good business now available. It is interesting to study the statistics of shipbuilding and ship repairing in Canada between world war I and world war II; that is between 1917 and 1942. Statistics on the subject can be found in the brief prepared by the shipbuilding and ship repairing association and referred to this afternoon by the hon. member for Vancouver South (Mr. Green). On page 42 it contains a table which shows that the high peak following the first war was in 1919, when there were in Canada seventy-eight establishments; the gross value of products was $186,500,000, in round figures; salaried employees numbered 1,384 and wage employees 22,318, with wages of approximately $27,000,000. Then activity began to drop, so that by 1933, which was the low year, there were thirty-eight establishments; the gross value of the product was only $4,521,000; salaried employees numbered only 369, and manual employees, 1,885, with a total annual wage of $1,964,000. The shipbuilding and ship repairing industry just disappeared, and that was only a few years before the beginning of world war II. Then it began to go up again, until in 1942 there were seventy-nine establishments with a gross value of product of $242,000,000; salaried employees numbering 2,868, and manual or wage employees numbering 47,264, with total wages of over $87,000,000. I do not know the number of workers today, but I think someone said there were 18,000. Nor do I know the gross value of the product;

but unless there is a demand for shipping which will make the operation of ships a profitable venture for private enterprise, there will be no shipbuilding; and unless my friends are willing to have the government go into shipbuilding itself, I do not see that there is any other policy that will produce ships.

I intend to reserve anything further I have to say until we are in committee and the functions of the maritime commission becomes clear. However, since labour employed on the ships and in building the ships has an interest in the shipping business of this country, I would suggest that the minister give consideration to having labour represented on this commission, so that there may be cooperation between all factors connected with the industry.

Mr. DEPUTY SPEAKER: If the right hon. minister speaks now he will close the debate.

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): I have listened with interest to the debate on the second reading of this bill. It seems to me the principal complaint is that in drafting this bill we have not attempted to usurp the functions of parliament. All matters covered by the bill are functions being performed by government agencies at the present time. The purpose of the bill is to correlate those agencies and gradually to bring them under a single directing force.

The bill seeks to set up an authoritative body to advise the government on shipping and shipbuilding matters and to administer certain matters relating to those industries. The proposed commission is to consist of three full-time officials who, as a body corporate, will be responsible to and subject to the direction of the Minister of Transport (Mr. Chevrier). I might explain that there is nothing sinister about the form of organization known as a body corporate. It should not be confused with the crown companies set up under the Companies Act of Canada, for which provision was made in a bill passed by the last parliament. It is simply declared a corporation in drafting the act, and functions as a corporation. The purpose is merely to bring three men together so that in their executive work they may function as an entity. The commission will be staffed by the civil service commission in the usual manner, and that is a clause I would hardly expect to be criticized by anyone. There is provision that with the approval of the governor in council the commission may employ professional and technical advisers and assistants for temporary periods and for specific work. Obviously occasions may arise when it will be necessary to employ people with special knowledge to perform special duties for temporary periods.

The function of the commission in its advisory capacity is to consider and recommend to the minister such policies and measures as it considers necessary for the operation, maintenance, manning and development of a merchant marine and a shipbuilding and ship repairing industry, commensurate with our maritime needs. It seems to me that statement of functions is comprehensive, and in accordance with the desires of those who have spoken in this debate. In order to fulfil this function, the commission will have to ascertain and record a number of matters concerning our own industries and those of other nations. On its administrative side it is intended that it shall act on behalf of the minister in dealing with certain responsibilities which are vested in him by the Canada Shipping Act, 1934. It will also absorb the duties now performed by the steamship subsidies section of the Department of Trade and Commerce. It will be available to absorb other suitable administrative duties which may be allotted to it from time to time.

The expenses of the commission will be paid from appropriations duly authorized by parliament, and the commission will render an annual report of its activities to parliament through the Minister of Transport.

I might point out that all the policies of the commission will require to be approved by parliament, because the only funds which will be available to the commission to carry out its policies will be those funds voted by parliament from time to time.

In drafting the bill, we have endeavoured to provide in the commission a ready and accessible point of contact between the government and all sections of the shipping and shipbuilding industries. In this connection, hon. members will note that a special reference is made to the setting up of advisory committees by the commission, which will enable it to obtain all the points of view of the parties concerned in any particular matter.

It is our thought, amongst others, that a standing advisory committee consisting of representatives of ship operators, shipbuilders, and seafaring personnel should be set up as soon as possible, which will provide a forum for discussion on a number of matters concerning the efficiency and development of the industries.

There is also a need today for a well-informed government agency to represent the nation's views in various international shipping

matters which from time to time are called into discussion by the united nations and related organizations.

In short, Mr. Speaker, the government is of the opinion that the setting up of an organization directly concerned with Canadian shipping and shipbuilding problems is now desirable. One of its functions will be to assume responsibility for any continuing government-owned merchant ships now being operated through the agency of Park Steamship Company, Limited.

In moving the second reading of the bill, I would again emphasize that we seek from its provisions cooperation with private enterprise but not control of it. The bill does not represent any change in the policy which we have previously adopted, but provides only what we believe and hope will be a more up-to-date medium for carrying out that policy.

The hon. member for Vancouver South (Mr. Green) mentioned that we are a maritime people. I agree; Canadians take to the sea naturally, and this will provide an outlet for the aspirations of our people in that direction. He mentioned that during the war our merchant marine reached a peak of 18,000 Canadian seamen. The publication from which the hon. member quoted, the 1946 Year Book of the Canadian merchant service guild, mentions that at March 31, 1946, there were 12,000 Canadian seamen employed on Canadian ships. The last tabulation of the Department of Labour indicates that about 14,000 Canadian seamen are employed on Canadian ships at the present time.

The suggestion was made that we should freeze government policy. It is felt that by doing so we would bring more security into the lives of Canadian workers. I suggest that if we were to freeze government policy at this day, the policy would be to say that the shipbuilding fraternity and ship operating fraternity are doing exceedingly well, and are well able to look after themselves. Earnings in both branches of the industry at the present time are abnormally high. I know of no feeling of uncertainty in the minds of those engaged in the industry. It seems to me the greatest peril they have to face is that there might be a change of government in this country. But since there is no indication of that on the horizon, it seems to me that both branches of the industry can proceed, with reasonable security, and that the government which has brought the industry to its present satisfactory position will be able to look after it in the future.

Mr. MacNICOL: Do not be too sure of that. A new government would do a much better job.

Mr. HOWE: Perhaps not. That is what the industry is worrying about.

Mr. GRAYDON: And you see that they keep on worrying, don't you?

Mr. HOWE: Well, I should relieve their worries as much as possible when I speak at this time.

The hon. member for Vancouver East (Mr. MacInnis) has compared the present situation with that after the last great war. He suggested that the same result is inevitable. I would point out the difference between the position after this war and that after the last one. The first difference is that the shipbuilding programme of the first great war was undertaken in 1918 and finished, I believe, in 1921. In other words, it was not a wartime shipbuilding programme; it was a postwar shipbuilding programme. Then the ships were carried at their construction costs, and the construction costs of a high-cost period. In the present instance our present fleet of ships was built during the war. True, they were built in a period of rising costs, nevertheless the great bulk of the fleet was built under cost levels which today look very reasonable indeed.

The policy has been to dispose of the ships to private interests, and I would point out another substantial difference: the ships were not disposed of to private interests at their cost price. They were disposed of to private interests at a price which a committee of experts believed represented the level at which the ships might profitably be operated in the future.

The suggestion has been made that there should be provision for a replacement fund. Provision has been made for a replacement fund. These ships were sold under arrangements which provided for double depreciation, and also provided that in the first year of operation there could be an additional writeoff of thirteen per cent of the cost. In other words, the ships could be written off at twenty-five per cent of their cost in the first year, and at twelve per cent of their cost for each succeeding year. The result of that provision will be that the money invested in the ships can be recovered within a reasonable period of time, and the funds recovered can be made available to finance a ship replacement programme.

Then it has been suggested that there should be provision in the bill for protection and training of seamen. I point out to hon.

members that existing legislation makes ample provision for the protection and training of seamen. The commission will, of course, examine existing legislation, correlate it, and recommend to the government any changes in existing legislation which should be made from time to time, for the purpose of strengthening the over-all legislation in any particular.

To sum up, the bill provides a framework for coordinating the work of all government departments which have to do with shipbuilding or ship operating. It will provide a new approach to the problems of the future. Practical men will have an opportunity of making recommendations to the government which will be useful in meeting new developments in the industry; and at each session parliament will be able to review the work of the board and to implement such recommendations as the government feels are desirable to cope with the future of the industry.

Mr. IRVINE: What would be likely to happen if the commission were to report to the administration that, for instance, there was a scarcity of facilities for the building of ships, that marine insurance was too high, or something of that kind? How would the government proceed to take care of that? Would they undertake to build dry docks at the expense of the government, or would they command those now in the business to expand their facilities?

Mr. HOWE: There are ample provisions today in the law to take care of the situations to which my hon. friend has referred. There is the federal Dry Docks Subsidies Act administered by the Department of Public Works, under which any body of men who desire to build a dry dock can approach the government for subsidy assistance. Means could be found to implement any recommendation of the commission, whether for the enlargement of shipbuilding activities or to enlarge or improve the fleet. Almost any recommendation that I can think of could be handled by the existing law.

The hon. member for St. John-Albert asked about shipbuilding in the maritimes. I have some figures here showing the number employed in shipyards in the maritimes:

1947	
March	3,219
April	3,090
May	2,990

The figures for the whole of Canada are as follows:

1947	
March	16,820
April	17,489
May	18,202

[Mr. Howe.]

Mr. BROOKS: The trend there is entirely different from that in the maritimes.

Mr. HOWE: Let us be sensible about this. Employment in shipyards fluctuates owing to the stage of each shipyard's programme. For example, at Halifax they are in the process of finishing two destroyers and they have just undertaken to build three ships for Argentina at a cost of $7,000,000. In the interval men are doing repair work. The best employer is a combination of the two, shipbuilding and repair work, but certain yards prefer to specialize on repair work, and I understand that that is the situation at Saint John. These yards are operated privately, and all I can say is that there is so much shipbuilding work offering around the world that anyone who really looks for that type of work cannot help but find all he cares to undertake. That is all I can say about shipbuilding in the maritime provinces, and I think this covers all I have to say on second reading.

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

On section 1—Short title.

Mr. GREEN: Could the minister table the report of the intergovernmental committee which investigated this whole question of shipping and shipbuilding?

Mr. HOWE: No, it was a private report.

Mr. GREEN: It is a confidential report?

Mr. HOWE: All reports from civil servants to their ministers are confidential.

Mr. GREEN: Were people engaged in the industry called in, in connection with the work of that committee?

Mr. HOWE: The committee was made up of civil servants and it took evidence from witnesses from the trade.

Section agreed to.

On section 2—Definitions.

Mr. GREEN: Why is the set-up here so different from the United States maritime commission?

Mr. HOWE: Two different forms of government and two different legislative bodies are concerned. I cannot think of any reason why it should be the same.

Section agreed to.

On section 3—Corporation established.

Mr. MERRITT: This section provides that the commission may enter into contracts on behalf of His Majesty, but there is no pro-

vision for the commission to make contracts on its own behalf or to sue or be sued. Is it intended that the commisison acting in the capacity of time charterer for one of the Park steamship vessels could be sued by the other party?

Mr. HOWE: No. The commission can contract only in the name of His Majesty. It is like a government department, which I understand to be the form my hon. friend advocates.

Section agreed to.

On section 4—Officers, clerks and employees.

Mr. GREEN: Why is it not possible to get technical and professional men through the civil service commission?

Mr. HOWE: The method employed by the civil service commission is to advertise for two months and then have a board examine the applicants and report. It takes usually six months to get a senior officer through the civil service commission. The maritime commission could hardly wait that long in the case of an emergency. My hon. friend has spoken of flexibility and speed in making decisions to meet emergencies. For instance, someone has said that one great problem in the shipbuilding industry is to get sufficient steel. Would my hon. friend suggest that they meet that problem by applying to the civil service commission for a steel expert?

Mr. GREEN: The commission do not supply steel. What has that to do with the civil service commission?

Mr. HOWE: My hon. friend suggests a provision that they should not get technical help except through the commission, but I think it would be rather hopeless if they had a situation of that kind and had to rely upon the commission for help.

Mr. GREEN: If it takes the civil service commission six months to get technical or professional men, perhaps some changes should be made in the administration. Will any of the professional or technical men engaged by the maritime commission be engaged through the civil service commission?

Mr. HOWE: They will be if they are permanent employees, but not necessarily if they are employed for a temporary period.

Mr. GREEN: It says, "or for specific work."

Mr. HOWE: Specialized, short-term jobs.

Mr. MacINNIS: I am wondering about the meaning of "temporary." There are many civil servants who have been temporary from youth to old age, but I would not suppose that "temporary" as used here would apply to such civil servants. I would be inclined to agree that for short periods of time and for temporary purposes we should not insist that they be selected by the civil service commission, but if they are to be just called temporary employees and carried on the staff, as a large percentage of employees now are, I think they should be recruited through the civil service commission.

Mr. HOWE: My hon. friend is thinking of temporary men while the bill is referring to a temporary period. The purpose is that men engaged for temporary periods will be employed outside of the civil service commission.

Section agreed to.

Sections 5 and 6 agreed to.

On section 7—Powers of commission.

Mr. PEARKES: I have been informed that one of the bottlenecks in the shipbuilding industry is the lack of designers. I presume that that will be covered by the investigators carried on by this commission.

Mr. HOWE: Some progress has been made toward correcting that situation. It was a serious lack in the early days of the war, but shipbuilders have formed themselves into an association and have arranged to exchange and pool talent in designing ships. There is now an exchange of designers between the yards, and efforts will continue to be made to build up the strength of Canada's designing staffs.

Mr. ARCHIBALD: The minister, in his explanation of the bill, said that Park steamships to a large extent stopped the transference of ships to foreign registry. Will this commission be given the power to stop the transference of ships to foreign registry? Suppose a ship is outfitting in Vancouver and it decides to register in Panama and to import men to man the boat. That boat should be manned by Canadian seamen since it is being outfitted in a Canadian port. Will the commission be given power to do what was done to a large extent with Park Steamships?

Mr. HOWE: Every ship that was sold by Park Steamships to Canadians was sold with the proviso that the owner could not apply to the government for a change of registry. That takes care of that situation.

Mr. GIBSON (Comox-Alberni): For how long?

Mr. HOWE: For an indefinite period. The board will have power to advise the minister whether to permit change of registry or not and will advise the minister with regard to admitting foreign ships to Canadian register. Provision is already made in our legislation covering the latter point; provision was made in the sale of the ships to cover the first point, and neither will in future be acted on by the minister, I would assume, without the advice of the maritime commission.

Mr. GREEN: Will the recommendations made by the commission be available to parliament? Provision is made here for the commission to make recommendations on various aspects of shipping and shipbuilding policy. Will parliament have an opportunity of seeing those recommendations?

Mr. HOWE: The commission are civil servants under a minister and therefore their recommendations to the minister will be privileged, as is the case with all recommendations of civil servants to ministers.

Mr. GREEN: Provision is also made for the commission to examine into, ascertain and keep records on various matters, including the type, size, speed and other requirements of the vessels which, in the opinion of the commission, should be employed. Once it has made that investigation, has the commission power to do anything about the matter, or has the government power to do anything about it so that we can have the right type of ships built?

Mr. HOWE: Such matters involve money. If the government believes that a certain type of ship is desirable, and the shipbuilders will not build it without assistance, the commission can recommend to the minister that provision be made to grant the required assistance and the minister can bring an estimate before parliament. If parliament approves, the assistance can be given.

Mr. GREEN: That is the scheme the minister has in mind, that if the commission recommends that faster ships be built in Canada the shipbuilding firms will be paid whatever is required to produce those ships?

Mr. HOWE: I might point out that, in deference to the opposition and to confirm with about half the speeches I have heard in this parliament, I have taken great care to see that parliament is in complete control so far as aid to shipping is concerned.

Mr. GREEN: The minister is learning at last.

Mr. MERRITT: Section 7 does not refer in terms to any government vessels. What power will the maritime commission have in respect of vessels owned by the Canadian government which are not engaged in ordinary commercial trade? Would the establishment of a coastguard come within the purview of the commission?

Mr. HOWE: In matters of that kind the commission will have just the powers that the minister agrees to delegate to it from time to time.

Mr. GREEN: Is power given to the commission to allocate shipbuilding, to have it carried on in one part of the country or in another part?

Mr. HOWE: No.

Mr. MERRITT: A vexed question concerns foreign ships engaged in our coastwise trade. Will the commission have power to advise on that?

Mr. HOWE: Under existing law, foreign ships are prohibited from engaging in coastwise trade.

Mr. MERRITT: I mean ships other than Canadian-built ships.

Mr. HOWE: Any provision of that kind is a matter of government policy. The commission will have the opportunity of expressing its views to the minister, and the minister will require action by parliament to change the existing situation.

Mr. MERRITT: Would it be the duty of the commission to make recommendations on that kind of matter without specific orders from the minister?

Mr. HOWE: Certainly. The commission will be expected to recommend any measure which in its opinion will improve the position of ship operations and shipbuilding, but whether the minister and the government accept their recommendations is for the latter to decide.

Mr. GILLIS: The hon. member for Skeena first raised the question he referred to this afternoon several months ago and the position is still tangled. Park steamships were being sold in the United States; United States crews were taking those ships to Canadian ports and being discharged, and Chinese crews were imported to man those ships under foreign registry and then were allowed to sail to Canadian ports. When this matter was first raised it was referred to immigration, to ascertain whether under our immigration regulations crews could be brought into Canada and allowed to sail on Canadian ships. The matter was not cleared up to my satis-

faction, and the point raised by the hon. member for Vancouver-Burrard is whether it would be the function of this commission to see to it that Canadian ships sailing from Canadian ports would be manned by Canadian crews. Section 7 seemed to give the commission a good deal of latitude, and if they exercise that latitude they could eliminate the grievance raised by the two Vancouver members. Could the minister be specific on that question as to whether the commission would have the function of determining the crews that would sail from Canada on Canadian ships?

Mr. HOWE: My hon. friend is raising an issue that is not realistic. The records of the Park Steamship Company indicate that no ship was sold to United States interests, with two exceptions. Two very badly damaged ships, which Park steamships believed should be sold in the damaged condition rather than repaired, for reasons of prudent economy, were thus disposed of; but there were no serviceable ships sold to United States interests. As to what became of those two ships, I have no information. The Canada Shipping Act governs the employment of seamen on Canadian ships, and it will be the duty of the maritime commission to examine that act and to recommend any changes which, in its opinion, would strengthen and improve the act and bring about an improvement in conditions.

Mr. GILLIS: That still does not answer the question. It may be true that Park steamships have not sold ships in the United States, but is it true that American ships can be manned by American seamen, come into Canadian ports where the American seamen are discharged, the ship put under Panamanian registry, and sail from Canada being manned by Chinese or imported seamen? That complaint has been made specifically by the Canadian seamen's union. It is well known to many members of the house. The matter was raised about three months ago and was referred to the immigration authorities and we were assured by them that it was not in accordance with their regulations.

All I want to be clear about is this. If this maritime commission, which is a desirable one, and something that we have been advocating for a considerable time, is to have supreme jurisdiction in regulating the crews that will be sailing on Canadian ships from Canadian ports, and determining also conditions and so forth, so that we may get away from this bootlegging system which has developed since the close of the war, whereby ships are sold and the merchant marine services in different countries are scrapped, thereby getting around our regulations in the manner disclosed in this house, then I am satisfied. A United States crew comes in on a ship. That crew is discharged and the ship is then manned by an imported crew under Panamanian registry and is allowed to sail.

During the war we had considerable difficulty, in the earlier stages at least, when scrap was prohibited from leaving the United States to go to any other country. They would clear from the United States and come to a Canadian port where the crew could be discharged and another crew put on board, and so they could clear from Canada to Japan and deliver scrap to that country, which scrap was later used against ourselves. From discussions I have heard, and from a brief which I read from the seamen's union, that kind of thing is going on again, to the detriment of the development of our own merchant service and our own seamen as well as to the detriment of the British merchant service. Some United States interests are developing a bootlegging system whereby they can get cheap labour. When they cannot clear from a United States port under other conditions they get around their own regulations by clearing from a port in Canada. If this commission has power to stop that, I am satisfied with the clause.

Mr. MacINNIS: The section does not give the commission any authority to enforce or to establish. It merely says that it may examine into, ascertain and keep records of and advise any such authority as was suggested by the member for Cape Breton South. Perhaps the power is contained in the next section.

Mr. HOWE: My hon. friend is correct. There are existing statutes covering the points raised. It is the duty of the commission to examine into those statutes and recommend improvements in them in order to carry out the purpose intended, and to submit such recommendations to the minister for his action in obtaining appropriate legislation. A United States ship is under the supervision of the United States government. It can come to Canadian ports for certain purposes, but one of the purposes is not to discharge the crew. If the crew deserts, then the deserters are sent back to the countries from which they came; but certainly, under any law of Canada, the captain could not discharge the crew in a Canadian port and take on a different crew. The action of the ship is governed by the law of the country whose flag the ship flies. As far

as immigration is concerned, there are certain actions which this country does not allow, and if there are any infractions it will be the duty of the maritime commission to bring them to the attention of the appropriate minister to see that they do not continue.

Mr. ARCHIBALD: A hull was taken out of the port of Seattle, manned by a United States crew, brought to Vancouver and outfitted in the dry dock there, and the owners told the seafarers international union, "We will put this vessel under Panamanian registry and import a crew and put that crew on."

Mr. HOWE: That may be so, but the ship was a United States vessel. It never at any time, I take it, became a Canadian ship.

Mr. ARCHIBALD: The point is that it is under Canadian jurisdiction while it is in our port, and we should not be responsible for pulling off fast ones such as that. I read a report from London which indicated that there is a world ship racket at the present time to put hulls under Panamanian registry where there are no maritime laws at all.

Section agreed to.

At six o'clock the committee took recess.

After Recess

The committee resumed at seven o'clock.

On section 8—Duties of commission.

Mr. GREEN: What functions under the Canada Shipping Act are to be turned over to the commission?

Mr. HOWE: That is a matter for the minister to determine from time to time. The commission as set up is advisory to the minister on matters dealt with in the Canada Shipping Act. The minister may or may not turn over executive functions in connection with the act. All such functions are performed by certain departments of government at the moment, whether they will continue to be so performed or whether they will be turned over to the commission to be performed by it, is a matter for the minister to decide.

Mr. GREEN: Has any decision been reached as to what functions are to be turned over at the present time?

Mr. HOWE: No.

Mr. GREEN: There is a strong agitation for amendments to the Canada Shipping Act. Apparently the act has not been amended for many years. Can the minister say whether it is the intention to go over it carefully with the idea of bringing it up to date?

Mr. HOWE: Yes. Amendments are being considered. The advice of the commission will be sought in a further examination of the shipping act.

Mr. GREEN: Is it expected that the act will be amended at the next session?

Mr. HOWE: Yes, I should think so.

Mr. GREEN: The second paragraph of section 8 deals with steamship subventions. What is the policy at the present time with regard to subventions?

Mr. HOWE: The policy is to maintain services on certain internal routes in Canada which cannot be self-supporting under the rate structure that the government considers equitable. The needs of the service are examined and the subsidy is fixed at an amount which will permit the service to operate.

Mr. GREEN: What about shipping abroad?

Mr. HOWE: I know of no present subsidies for external shipping. There does not seem to be any need for any at the moment. The earnings of foreign lines would appear to be ample to permit the companies to carry on without subsidies.

Mr. GREEN: At the present time the Department of Trade and Commerce decides what subventions are to be paid, I take it?

Mr. HOWE: Parliament decides the subventions. The Department of Trade and Commerce recommend them. My hon. friend will find in the estimates of the Department of Trade and Commerce the subventions which are currently being paid.

Mr. GREEN: Just how is the maritime commission to fit into that picture? Is it to have the power to recommend subventions direct, or does it merely look into all the facts and then recommend subventions to the minister who, in turn, recommends them to parliament?

Mr. HOWE: The functions will be administered by the commission. The paragraph reads:

(b) administer, in accordance with regulations of the governor in council, any steamship subventions voted by parliament.

Mr. GREEN: Does that mean just the mechanics of paying out subventions, or does it include the power to decide what lines are to get subventions and how large the subventions are to be?

Mr. HOWE: Power to recommend to the minister. Only parliament can vote the money for subsidies. The commission will recommend to the minister, and the minister, if he sees fit, will recommend to parliament the subventions which are required.

Mr. GREEN: Then there is the third power given in paragraph (c), to:

> exercise or perform any other powers, duties or functions conferred on or required to be performed by the commission by or pursuant to any other act or order of the governor in council.

Can the minister give us any indication what type of functions it is proposed to turn over to the commission under that particular paragraph?

Mr. HOWE: If in a future year the government should pass a bill giving assistance to shipyards, the commission would administer that bill. Likewise, if the government passed a bill subsidizing the construction of steamships, the commission would administer that bill. If any functions now performed by a department of government were turned over to the commission by the minister, the commission would perform those functions.

Mr. BRACKEN: The minister pointed out that parliament determined the subventions. I think a wrong meaning might be taken from that. I gather that parliament gives the government power to pay out subventions, but that the government or some agency of the government—in this case the commission —determines what companies may get subventions and what the amount of the subventions may be. I think I am correct in that interpretation, but I am asking for information.

Mr. HOWE: The minister determines the amount of the subventions that he will recommend to parliament, and the subventions are set out in detail in the estimates. If my hon. friend will look at page 54 of the estimates of the Department of Trade and Commerce, he will find listed there all the subventions to the various companies. Parliament will be asked to vote those subventions.

Mr. BRACKEN: Then the correct position is this. The exact subvention for a given company appears in the estimates and is passed there, and the government is controlled by that vote. In that event, neither the government nor the commission has power to alter the amount or the rate of subvention as outlined in the estimates. Is that correct?

Mr. HOWE: I am not in as good a position as I might be to answer that. I see no vote here except specific votes for specific items. There may be a general vote, but I see none in the estimates.

Mr. BRACKEN: Then in asking for his estimates the minister outlines the companies that are to get this aid, and I suppose at the same time he outlines and tries to satisfy the house as to the rate of assistance to be given.

Mr. HOWE: Yes.

Mr. BRACKEN: Then under this legislation you are limited by the amount of the subvention for a given company.

Mr. HOWE: That is so.

Mr. MacINNIS: I just want to get my own ideas on this point clarified. According to section 3(2), this commission is an agent of His Majesty, which, I take it, means an agent of the government, and it can do only such things as the government may refer to it as outlined in this act. If a steamship company should make application for a subsidy or subvention the minister may ask the commission to investigate the matter and make a recommendation as to the subsidy or subvention that would be satisfactory in the circumstances. Then, if the minister agreed with the recommendation he would put an item in the estimates, and it would then be up to parliament?

Mr. HOWE: That is right.

Mr. GREEN: At the present time, as I understand it, the Department of Trade and Commerce have control of these subventions, for the reason that the subvention is used primarily to get our goods to certain countries; that is, as far as subventions to foreign-going vessels are concerned.

Mr. HOWE: I know of no subventions to foreign vessels.

Mr. GREEN: Not to foreign vessels, but to vessels carrying goods to foreign countries.

Mr. HOWE: There are none at the moment, as far as I know.

Mr. GREEN: But before the war that was one of the main purposes of the subventions?

Mr. HOWE: Yes.

Mr. GREEN: For example, I think assistance was given in order to have shipping available to take lumber from British Columbia to the West Indies, South Africa and other places. The subvention primarily was not to help shipping but to promote our foreign trade. Is that not so?

Mr. HOWE: Yes; it had both purposes.

Mr. GREEN: Under this new set-up, does the Department of Trade and Commerce have nothing whatever to do with the subvention? Where does it come into the picture?

Mr. HOWE: The administration will be transferred to the maritime commission. The Department of Trade and Commerce can make representations to the maritime commission, just as any other department can.

Mr. McLURE: Perhaps the minister has already done so, but if not I should like him to explain just how the subsidies will be administered. Take the subsidy on the ferry from Wood Island to Cariboo, for instance. The government pays a subsidy of so much. Is this subsidy then passed on to the commission to be administered and to decide whether they will increase or reduce it?

Mr. HOWE: In establishing a subsidy the governor in council lays down the regulations under which it may be paid, and the maritime commission would administer those regulations.

Mr. McLURE: Is that not just a duplication of work already done?

Mr. HOWE: Who is the other man that does the work?

Mr. McLURE: The question is, who has been doing it? The subsidy is paid over by the department that voted it; now it has to be voted and then passed over to the commission, and they will adjust it later.

Mr. ARCHIBALD: Will this make it possible to discuss the Canada Shipping Act intelligently in this house? I am serious in that question. Suppose I want to discuss that act with the Minister of Transport. I come to a certain point and I am told it refers to the Minister of Health. The next point refers to the Minister of Labour, the next to the Minister of Trade and Commerce, and so on. Actually you cannot discuss the Canada Shipping Act as a unit on the floor of this house. If this bill will make it possible to discuss that act under the maritime commission it will have accomplished something anyway.

Mr. HOWE: The purpose of the bill is to centralize all matters having to do with shipping and the operation of ships under the maritime commission. It may take time to do that, but I think the objective set by my hon. friend will be achieved in due course.

Section agreed to.

On section 9—Advisory committees.

Mr. GREEN: Are there to be any regional committees?

Mr. HOWE: The act states that there are to be committees. I do not know whether they will be regional.

[Mr. Green.]

Mr. GREEN: Is it the intention to set up committees, say in the maritimes and on the Pacific coast?

Mr. HOWE: I think the statement in the bill is that they will be functional committees rather than regional. I do not see why regional committees would be particularly required.

Section agreed to.

Sections 10 and 11 agreed to.

On section 12—Receipts and expenditures to be audited.

Mr. GREEN: Is it anticipated that there will be any receipts by the commission itself from its own operations?

Mr. HOWE: That depends on the duties given the commission. Certain departments of the government have revenues. If those departments continue to carry on their present functions those revenues will accrue to the departments. If those revenue-producing functions are turned over to the commission, I suppose the revenue will accrue to the commission. In either case, however, it would be paid to the receiver general, so that it would not alter the situation.

Section agreed to.

Section 13 agreed to.

On section 14—Coming into force.

Mr. MERRITT: When does the minister anticipate the maritime commission will be set up and the members appointed?

Mr. HOWE: It is anticipated that the commission will be set up as soon as we find the proper men to form it, and as soon as the machinery can be made ready. I cannot say whether it will be one month or two months or three months.

Section agreed to.

Title agreed to.

Bill reported, read the third time and passed.

DOMINION COAL BOARD

ADMINISTRATION OF SUBVENTIONS OR SUBSIDIES VOTED BY PARLIAMENT

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply) moved the second reading of Bill No. 340, to establish the dominion coal board.

Mr. BROOKS: Is the minister going to make a statement on this bill?

Mr. HOWE: I made an extended statement at the time the resolution was intro-

duced, which I think covers the situation for the moment.

Mr. A. J. BROOKS (Royal): I should like to say a few words, because, as we all realize, this is an important bill. I believe the hopes of a great many people in Canada rest upon the success of this board. Much of the discussion during the debate on the resolution was devoted to the question of whether the board should be under one of the departments, or whether it should be independent. As we look back over the history of coal legislation in the dominion, we find that a good many attempts have been made to develop the industry in this country. In 1917, as the minister told us the other day, we had a coal controller. In 1932 we had the dominion fuel board. In 1939 we had a coal administrator. In 1942 we had the emergency coal production board, and now we are trying something else. I understand that this bill has the approval of the operators throughout Canada and also the approval of labour, so that not very much can be said in opposition to the introduction of a measure of this kind. There is provision for seven members on the board, and I suggest that great care should be taken in choosing them. There are five coal producing provinces in Canada, and in fairness to each of those districts or provinces I believe there should be a member from each of them on the board.

As the minister pointed out the other day, no two sections of Canada have the same problems. So far as the maritime provinces are concerned, the problems in Nova Scotia are different from those in New Brunswick. We in New Brunswick have been told that we produce only two per cent of the coal. Nevertheless our coal production is important to us, and I hope that when the board is set up the minister will give consideration to the appointment of a member from New Brunswick.

In the past we have suffered greatly from being linked with Nova Scotia; and I do not say that to the detriment of Nova Scotia, at all. Everyone knows, however, that in Nova Scotia one large company dominates the coal situation. Their interests are entirely different from those of the small operators in New Brunswick; and if only one representative is chosen from the maritime provinces I am satisfied that the difficulties we shall have in the future will be just the same as those we have had in the past. I repeat that when the board is chosen I hope the minister will consider adding a member from New Brunswick.

While the Dominion Coal Company produces about ninety per cent of the coal of Nova Scotia, there are a number of small operators in that province who are in much the same position as we are; and they, of course, should receive consideration.

Another matter that I would bring to the attention of the minister is the wages and employment situation in some parts of the maritimes. We are told there is a surplus of labour; but this condition does not always apply to the mining districts. I know that in the Minto area at the present time there is difficulty in getting men to go into the mines. While there are men without employment in New Brunswick, there are very few available for mining purposes. I understand that some of the operators have applied to have mining labour brought from Europe, but they have been refused. Mining employment is entirely different from other types of employment, and I hope the board will consider this matter as well as others in connection with coal production.

As I said at the outset, I believe this is a bill which has the general approval of the operators and of labour throughout the Country. I have no serious criticism to make of it, and I sincerely hope it will solve the tremendous problem we have in Canada in connection with coal production.

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, I, too, shall speak briefly, because I am pleased that an honest-to-goodness effort is now to be made to solve Canada's coal problem. I speak now as a consumer and from the consumer's point of view, as one who uses and has had to use large quantities of coal. Consumers are today harassed to death by the announcements which appear in the press from time to time urging consumers to buy coal, and to buy it now.

In Toronto we stopped using coal for this season no more than two or three weeks ago. I believe it was not until about the 15th of this month that furnaces generally were closed down. In Toronto we burn coal for about nine and a half months of the year, and it is most perplexing to be advised at short intervals through the press to buy coal—buy coal—buy coal—and to be warned constantly of a coal shortage.

There is no reason under heaven why we should have a coal shortage in Canada, if coal production is thoroughly organized, as I now hope it may be under this measure. During the past few years all of us have been greatly indebted to two of our civil servants who have been working under the direction of the minister in the handling and controlling

of coal. I refer to Mr. McGregor Stewart of Nova Scotia and Mr. Frank G. Neate of Ottawa. No matter where one goes in Canada, he hears nothing but praise for Mr. Neate. I hope that when the board is set up it will have on it someone like Mr. Neate, who has a thorough knowledge of the coal problems of this country, and that perhaps he may hold one of the principal positions on the board. I would assume that the minister might have in mind the appointment of a lawyer or a judge to act as chairman of the board. I suggest that if the deputy chairman does not have to be a lawyer, no better man than Mr. Neate could be secured for the job, because he holds the confidence of the public generally.

I hope that when the new board is set up it will have a new plan altogether for approaching this problem. There is plenty of coal in Canada; the problem is to get it to the consumers. For some time past I have been trying to organize a trip up to the Findlay river, one of the two sources of the Peace river. I would hope to go to Fort Grahame, and from there to the Groundhog coal area, as it has been known for many years.

I have no doubt that the department has reports with respect to that area, and the vast deposits of coal said to be located in that basin. The last report I read stated that it had one of the largest, if not indeed the largest coal deposit in the world. I can scarcely believe there is as much coal in that basin as the report I read would seem to indicate. It is pronounced as A-1 coal, and it is said that there is none better anywhere. These reports are issued by the department.

If this is so, there can be no reason for a coal shortage in Canada. The Groundhog coal area is located on the upper waters of the Skeena river, and I doubt if it is more than 150 miles, or perhaps less than that, from the mine to Hazelton on the Canadian National. The river is substantial in size, and perhaps if the mines are immediately adjacent to it, through a certain amount of canalization the coal could be brought down to Hazelton and from there in large quantities of probably fifteen or twenty trains at a time, and taken right down to the central provinces.

The city of Toronto with more than 800,000 people should not be in jeopardy at all times for its coal supply. Most people have expensive furnaces or boilers, and they should not have to be uneasy all the time as to whether their installations will be frozen up.

Mr. McLURE: Buy it from Alberta.

Mr. MacNICOL: I believe at present most of the Alberta coal is going to the Pacific coast, their closest market. However I was one of the first users in Ontario of Alberta coal at the time the Howard Ferguson government brought down the first shipment of 25,000 tons, and I can say Alberta coal is a splendid fuel. It burns away to an ash, and one has little ash to take out. I used to operate boilers for a week at a time without finding it necessary to remove ashes. I would have given a good deal if I could have had Alberta coal available at all times for use in my house; but we could not get it. I buy oil now, at my home. I am going to suggest to the minister that when this board is set up it be suggested to them that they look into the problem of whether coal from the Groundhog area in northern British Columbia can be brought down to Hazelton and then sent by rail in long train loads to the central provinces.

While I am anything but a socialist, there are some matters that can best be handled like we handle the production of hydro electric power in Ontario. I would be in favour of having this done by the board in order that coal from these deposits may be brought to Ontario. But I certainly advise that they bring down large quantities. The city of Toronto should have a year's supply of coal on hand at all times. This may mean the setting up of large coal dumps along the railroads near to and in the city, but the coal should be there. As I said in the beginning, the people should not be harassed to death over getting coal.

After making an exhaustive survey, I advocated, in one of the early speeches that I made in this house, that a national coal policy be organized. I was not the first to do that, because I believe the hon. member for Broadview (Mr. Church) had done it before. But I doubt if any other member had made a survey of the coal mines from Sydney, Nova Scotia to British Columbia more than I have. If this means a national coal policy, I am all for it. Anything that will give surety to the people of Canada that there will be an ample supply of coal should have the support of all of us.

I am not making any comment at the moment about the setting up of the commission, salaries and so forth, because that will come when the bill is in committee. I hope that a long time coal programme will be laid out to envisage the bringing of maritime as well as western coal to central Canada. I use maritime coal myself in several boilers, and I know the board of education in Toronto have used many thousand tons of it. It could come up by boat, and there is no reason why it should not. It can be sent up in the summer time so that there will be large supplies

on hand. In that way the miners in Nova Scotia may be given full-time employment, summer and winter. In the winter time they would be producing what would be shipped by water in the summer.

There is an opportunity to set up a national coal policy which will assure several different things, the first being fair treatment of the men. At different times I have heard the hon. member for Cape Breton South (Mr. Gillis) state the conditions under which the miners in Nova Scotia have to work. I believe they must travel several miles from their homes to reach the mines. Speedy transportation should be provided and they should not be crowded into any kind of conveyance.

From my point of view there are not many branches of labour which are more arduous or dangerous than that of coal mining. I think everyone is in favour of these men having, not only fair operating conditions, but proper remuneration, and holidays in which to enjoy the sunlight. They told me when I was in Sydney examining into the coal situation that these men go out three or four miles under the sea. That does not seem just human to me, to expect a man to work without seeing the sunlight and always having his life in jeopardy. No one knows what the bottom of the ocean is like and, while they are under pressure which would prevent a leak, there is always a certain amount of danger. As is stated in the bill, this commission will look into all matters like that.

I hope the commission will organize a programme covering coal mining and the transportation of coal in the speediest way possible from the mines to the consuming public. I know it is a long haul to bring coal to Toronto, say from Hazelton, and it would probably cost $8 to $10 a ton in trainload lots. But we have to have the coal and if our Canadian National Railways is hauling that coal and being paid $8 to $10 a ton for doing so, there will be a smaller deficit to pay at the end of the year. It will be just like taking money out of one pocket and putting it in the other. If the bill will bring about all that the minister has in mind along these lines, I see no reason to oppose it.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, when the bill was announced I was very hopeful and I still am of what it would bring forth. I realize that the Minister of Reconstruction and Supply (Mr. Howe) can look ahead and see what may happen. I have one or two questions that I should like to ask. Supposing the board recommended to the minister and to the government that there was a national emergency and that the government should take over the coal industry; what would be the action of the government?

We know that in coal mining as in any other industry there are four interested parties. First, there are the people who put up the money; second, there are those who compose management; third, there are the people who do the work, the workers and fourth, there are the consumers. To me the key people are the contented workers. When I went down into a coal mine I was extremely glad to get out alive and still be clean. I have talked to owners of coal mines and they are agreed that, while coal miners receive good wages, they should receive more than any other type of labour because of the daily risks they run and the impairment to their health.

The minister has proved that he knows how to handle workers, and I am sure he will agree that contented coal miners mean a happy management, and that in turn will be remunerative to those who put up the money.

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

Section 1 agreed to.

On section 2—Definitions.

Mr. BROOKS: The other evening the minister said something about including oil in the bill.

Mr. HOWE: That would come under section 11, covering emergencies. I shall have an amendment to suggest to the committee when we reach that section.

Mr. MacNICOL: May I ask if there will be a deputy chairman? My remarks of a few moments ago will show that I am interested.

Mr. HOWE: All I can say is that my hon. friend has no monopoly on his admiration of Mr. Frank Neate. I think very highly of him too.

Mr. MacNICOL: I am glad to hear that. I might have known it.

Section agreed to.

Sections 3, 4 and 5 agreed to.

On section 6—Board to recommend policies.

Mr. MERRITT: As the minister knows, in the Crowsnest Pass in British Columbia there are mines to which he made favourable reference in his statement on the resolution. They are mines which throughout the war maintained a very good volume of production in tons per man-day. They kept their equip-

ment modernized and have not had to call on the government throughout the whole war for any production subsidies. In every respect their operations compare most favourably with other coal mines in Canada.

When I was in Fernie and Michel recently I was told about the situation that existed there during the depression. The mines produce good steam coal of an industrial type which is not particularly suited for domestic uses, and seventy-five per cent of their production is taken by the two Canadian Railways. By means of freight subventions they have been enabled to sell their coal as far east as Winnipeg and in such parts of northern Ontario as require rail haul from great lakes ports. One important duty of this board will, I trust, be to see that these favourable mining and operating conditions in Fernie have their beneficial effect in bad times as well as in good, and that the history of the last depression will not be repeated in that part of the country. The Crowsnest Pass towns were much more severely affected by the depression than the general experience in Canada. The people there depend entirely for their existence upon the mines, and I believe that during the depression the mines were closed down entirely for a short period. That was not due, as the minister knows, to the management or the workers, but it was because the market for their coal is a narrow one, confined almost entirely to the railways, and the fact that other industrial markets are quite a distance away. The conditions that prevailed in Fernie in the depression must never be allowed to return, and I trust that the assurance of markets in bad times as well as in good will be one of the important duties of this board.

Mr. JOHNSTON: I have two questions to ask on this section. One has to do with production. The royal commission on coal pointed out the deplorable production methods in some of the mines in eastern Canada. That is why I have said on different occasions that I did not think it was good policy to subsidize inefficiency. This board will have wide powers and will study and recommend to the minister from time to time such policies as they consider necessary. Will the board have power to go into any mine, whether it is privately-owned or not, and investigate its ability to produce coal efficiently and see whether it is using modern machinery to produce at the cheapest possible cost, which, of course, would be reflected in the wages of the workers? Will the board be able to inspect production also from the point of view of safety regulations?

[Mr. Merritt.]

Mr. HOWE: It would be the duty of the board to investigate production methods in any mine that is assisted by subvention or otherwise, but safety regulations are the duty of the provincial government.

Mr. JOHNSTON: The minister said, "any mine that is assisted by subsidy or otherwise." Will the board have power to go into a mine that is not subsidized?

Mr. HOWE: The dominion fuel board went in with or without authority, and I assume that this board will as well. Certainly it would be their duty to examine the operation before they recommended any subsidy assistance.

Mr. JOHNSTON: Then on the question of distribution, will this board have the power and will it use that power to ascertain the exact cost of transporting coal from one part of Canada to another? Transportation has been one of the great difficulties in getting markets in eastern Canada, particularly for western coal from Alberta. The transportation costs are tremendous. I remember being on one or two committees of this house where we endeavoured to find the actual transportation costs, but it seemed almost impossible to get that information. One company would give you one figure and another company, another. In view of the fact that transportation subsidies will be given, will this board determine what the actual cost is of transporting a ton of coal, say 100 miles, taking into consideration depreciation and other factors such as the cost of maintaining road bed. I do not believe that information is impossible to obtain, because these are factors which a railway must have taken into account before it fixed its passenger rates, or the cost of hauling western wheat, let us say. The railway must keep accounts so that they can accurately estimate the cost of transporting 100 bushels of wheat a certain distance. The royal commission did not go into that question, and I want to know whether this board will ascertain what transportation costs are, so that it will be in a position to recommend the subsidies that should be given. Such an inquiry would be of great assistance to the western coal mines and the mines in eastern Canada too. Will the board do that job?

Mr. HOWE: If my hon. friend will cast his eye over the next section he will see that the board will have power to do all the things to which he has referred.

Mr. JOHNSTON: That is in section 7 (e)?

Mr. HOWE: In section 7 (a), (b), (c), (d), (e), (f) and (g).

Mr. JOHNSTON: I notice that paragraph (e) deals with the cost of production and distribution, but transportation is not mentioned.

Mr. HOWE: Distribution would include transportation. It says:

(e) the costs of production and distribution of coal and the accounting methods adopted or used by persons dealing in coal.

That would, I should think, include railroad rates and costs.

Mr. JOHNSTON: What struck me about the distribution of coal—

The DEPUTY CHAIRMAN: I think we had better dispose of section 6 first.

Mr. JOHNSTON: Section 6 deals with distribution, Mr. Chairman, but section 7 (e) also deals with distribution, and my one argument will cover both sections. The thing that I am perplexed about is the cost of distribution, and if the board would take into consideration the cost to the railway companies of distributing coal from Alberta to the Ontario market, that would be in a sense considering the question of distribution and its cost. It would not be covering the point I mentioned of going into the exact cost to the railway companies of transporting coal to different points, and I understand that is the reason the subvention is given, to assist the railway in the cost of transportation. That would be the greater task.

Mr. HOWE: Paragraph (e) of section 7 would undoubtedly include railway costs, which are the large item of distribution of western coal. But there is a cover-all provision in paragraph (g) that the board may undertake researches and investigations with respect to "such other matters as the minister may request or as the board may deem necessary for carrying out any of the provisions or purposes of this act." I can assure my hon. friend that the board will have power to do all the things that he has mentioned.

Mr. JOHNSTON: "Such other matters as the minister may request." Will the minister request that the board take this matter into consideration and make an investigation as to the actual cost of transporting a ton of coal 100 miles, or whatever unit of distance might be decided upon?

Mr. HOWE: It is not necessary for the minister to make a request; the provision goes on to say "or as the board may deem necessary for carrying out any of the provisions or purposes of this act."

Mr. JOHNSTON: But the question arises, will the board deem it necessary? Members of this house for years past, on every committee that has been set up to look into the matter, have endeavoured to find out the cost of transporting a ton of coal so many miles in order that we might determine what subvention was necessary. There has been a contention, not only among members, but throughout the country, that the railways do not need the amount of subvention they get, that the charge for transporting coal is sufficient to cover the actual cost and give the company a decent profit. Unless there is a definite undertaking by the board, and unless the minister directs the board to do this job, I very much fear that they, like the royal commission, will push this aside and—I use the word advisedly—we may be paying a subvention on an item that is not necessary, so that the government will be losing money in that regard and the people in western Canada and in the maritimes as well will be losing a definite market for their coal.

I now come to the use of coal in Canada. As I said the other day when we were speaking on this question, one of the greatest concerns in Canada at the present time, so far as I can see—and my mind tends naturally toward Alberta, which is a coal-producing area and I live there, though I want to take in the rest of Canada as well—is the necessity for a national fuel policy. Ever since I have been in this house I have tried to emphasize that point, as other members have done as well. We have no monopoly in that regard, but certainly we have emphasized the need of such a policy. In the case of a national emergency such as arose in the last war, I do not think we should be dependent upon other countries for our coal. If we ever get into the situation we were in during the war—and that may easily be—where we have to depend on outside coal for the maintenance of our essential production, it will be a sorry state of affairs for Canada. Coal mining is something that cannot be increased overnight. It does not seem logical to me that a country as rich in coal as Canada is, and with our transportation facilities such as they are, should not be able to transport coal from one end of the dominion to the other on such a basis that it will be sufficient to maintain the productive capacity of our industries. It may be necessary, as I pointed out the other day, that we have a revision of the placement of industries in Canada. I said on more than one occasion during the war that I thought it was the most natural thing for us to establish some of the heavier industries in western Canada where the coal

supply is at hand and where a share of the raw material for heavier industries is also available within a comparatively few miles, 400 or 500 miles, which does not present a long transportation problem. Labour is such that it can be transported from one province to another with extreme ease. I suggest to the minister, therefore, and to the commission, that if they can find no solution to the transportation problem, so far as coal is concerned, then they should seriously consider the allocation of heavier industries in areas where the coal is situated.

Mr. MacINNIS: How can the recommendations of the commission be enforced? What machinery is provided in this act for their enforcement?

Mr. HOWE: This commission is not a regulatory body in normal times. It is a body to advise the minister on ways and means for the carrying out of the coal policy of the government. In times of emergency it has definite regulatory powers, and an emergency can be proclaimed whenever the government decides that the situation is getting out of hand.

Mr. MacINNIS: I understand that this board is to operate in normal times. I do not think it will be feasible to call an emergency situation every time there happens to be a shortage of coal somewhere in Canada. I suggest, therefore, that before the government can formulate and carry out a coal policy which will assure the people of Canada a supply of coal that will be adequate in normal times, the government must have some means of compelling those who produce the coal to carry out the recommendations made by the commission. For instance, there is a scarcity of coal and the board makes certain recommendations to certain coal companies. If the board simply makes recommendations and the coal companies say, "So what", that does not produce coal. I am wondering what the policy will be for assuring that the recommendations are carried out. I can understand that where a coal mining company is receiving aid from the government the withdrawal of the aid would operate so that the recommendations were carried out, but if the coal company does not see eye-to-eye with the commission—and remember that the coal company is, after all, operating, not for the welfare of Canada, but for the profit of the shareholders—there is nothing in this act that confers any power on the government to assure that the people of Canada will get the coal which is in Canada.

Mr. HOWE: The dominion fuel board has been operating for twenty-five years with powers not as extensive as those being granted under this act. In that period, to my knowledge it has moved cars of coal from one area to another and from one source to another market and I believe I can say that there has been no resistance on the part of the owners of the coal to accepting orders from the dominion fuel board. Having had that experience of twenty-five years, I thing it would not be wise for parliament at this time to pass restrictive orders which will probably not be needed. Parliament meets every year; and if we find that additional powers are needed, I presume those powers can be provided.

Mr. MacINNIS: The minister said the coal board had been operating for twenty-five years. But has not the coal situation in Canada been pretty much of a mess for twenty-five years?

Mr. HOWE: Well, everybody has been warm.

Mr. MacINNIS: If that is all we have to look forward to under this board, it is not too hopeful.

Section agreed to.

On section 7—Powers of the board.

Mr. MacNICOL: This afternoon I made a mistake under another bill, when I started to make comments on section 7. At that time I was referring to section 7 of this bill. I did get mixed up. Section 7 embraces a great deal to which the people generally, particularly the consumers, can look with a good deal of hope. For instance, paragraph (a) refers to systems and methods of mining coal. I hope this board will at least have the power to make an investigation itself into the cheapest systems of mining coal and to transmit its findings to the various coal operators. I would not want to think this new board would not be going any farther than the last board went, especially after having listened to the hon. member for Cape Breton South, who is a practical coal man. His observations usually were that in the production of coal in the Nova Scotia mines the machinery and equipment were wholly out of date. If this new board finds that is the case, I would hope it would come forward with some kind of programme to assist in and recommend a faster production of coal in the Nova Scotia mines, or in any other coal mines for that matter; for instance, the mines in the riding of the hon. member for Royal. Last summer I went to one of his towns, namely, Minto, and was amazed to find that they were mining coal in places where the seam was between twenty and thirty inches wide. How a miner can work in that space, I can-

not conceive. Perhaps the board would help to devise some kind of system which would be more effective down there.

Paragraph (c) refers to the development of new uses for coal. If the St. Lawrence canal goes forward, as I hope it will within a reasonable length of time, whatever that length of time is, the development of hydro electric power on the international section, as far as Canada is concerned, will amount to the equivalent of 36,000,000 tons of coal a year; and it will be everlasting. It will be water-power electricity. Once the St. Lawrence power canal or navigation canal is in operation, it will mean that somebody will have to assist in finding new markets for coal; because if electricity is produced to the equivalent of 36,000,000 tons of coal a year, that is a great deal of coal for which an alternate market will need to be found. The board could do a good service there by-and-by.

Paragraph (e) refers to costs of production and distribution of coal, accounting methods adopted and so on. Right alongside the Peace river west of Hudson Hope—perhaps the minister has been there; I have anyway —is a vast deposit of good coal. During the war I believe his department bought from Gething coal mines the coal that was used all along the Alaska highway. I know that coal mine is right beside the river; the river is down about 250 feet below it. The coal can be shot through chutes from the mines right down to the river. It would go pretty fast down that distance. It can be shot into 500-ton barges. Barges not as large as that but of good size were constructed during the war at Peace River. Peace River barges could be used to take coal down to the town of Peace River on the railway. There would be a vast body of coal for distribution through all northern Alberta south of the Peace river right down as far as Edmonton. I have no doubt that the new board will use its best efforts to bring about the marketing of coal in the various areas in the speediest way possible and, by so doing, cut down the price of coal. The more coal is shipped down, the lower the price.

Mr. McCULLOUGH (Assiniboia): I am interested in this bill because I have some coal mines in my constituency. I do not consider that the minister was really stating the case correctly when he said that all the people were warm enough in Canada, even though we have had a coal board for the last twenty-five years. Our whole policy in regard to coal should have an overhauling. I notice in section 7 that the terms of reference of the board in regard to research and investigation are quite comprehensive. When the minister answers what I have to say, I should like him to indicate just what the government would do on the recommendations of such a board.

In my constituency we have had deplorable conditions in the past in the Bienfait mines. Today they are somewhat better, I will admit. But in 1931 when we had the strike there, the redcoats were called in—that is the Royal Canadian Mounted Police—to try to do something about it. We saw the situation of the miners with their low pay and intolerable conditions of work in the mine. When they tried to organize, it did not seem that a solution could be found. That in itself indicated that something should be done.

When we go back to the maritime coal strike which has been going on in the past few weeks, it also indicates that we should have a general overhaul of the coal policy of this country. I should like the minister to indicate, as an example, the policy on what is termed the Kapitu method for the utilization of low grade fuel like we have in my area. We have lignite coal there, which might be used by using the Kapitu method of burning coal underground for the production of power. Would the government undertake, on the recommendation of such a coal board, such policies as they might recommend?

When I was at the Bienfait coal mine about three years ago I found conditions which were intolerable. Prior to the war they were even worse. At that time, when there was a large number of unemployed, the company had stooges among the workers; and if for a moment any workers indicated dissatisfaction with conditions they were quickly let out.

Not only should the people of Canada have an adequate supply of fuel; I believe that we should also protect our workers and that those undertaking the production of coal should be under federal authority. I went into another mine at Estevan. Notwithstanding the fact that certain regulations were on the statute books which, if carried out, would be very good in the way of protecting workers, just prior to my visit a man at the top of the tipple let a couple of coal cars get away from him and roll back down the mine. No one was hurt, simply because no men were coming off work at the time. The regulations require a second entrance for the workers in a mine. In this case there was only the one entrance, and the workers were required to go in and come out of the entrance used for the coal itself. I believe we should have more definite supervision of these mines in order to protect our workers. I do not believe we shall reach a satisfactory solution of our coal problem until we have nationalization of coal.

In the past we have seen times when our fuel supplies have been low, when people have had to go without. Only a national policy which will take into consideration the need of coal for both industrial and fuel purposes, and under which the government will take responsibility for getting out that coal so that it may be sold to the people at a decent price, will bring about a decent solution of the coal problem of Canada.

Mr. HOWE: I might point out that wages and working conditions in mines, as well as their inspection in connection with safety, are functions of the provinces. I am sorry to see my hon. friend is losing confidence in the government of Saskatchewan.

Mr. McCULLOUGH (Assiniboia): When I was at these mines the Liberal government was in power.

Mr. HOWE: But I notice that the hon. gentleman is making his remarks today, after the present government has been in for several years.

Section agreed to.

On section 8—Duties of the board.

Mr. BROOKS: These subventions and subsidies are, of course, the very meat of the functions of the board. As I understand it, subventions were first given in order that the coal of Nova Scotia could compete with coal coming from the United States. I want to ask the minister whether subventions are given for the movement of coal within individual provinces. I believe such subventions have been granted in some of the western provinces; but, as far as my own province is concerned, no assistance has been given to the movement of coal within that province, which has made it very difficult for us to compete with coal coming from Nova Scotia. I might point out that a subsidy amounting to $1.67 a ton is paid to the Dominion Coal Company. I understand that they also receive a subvention or assistance in connection with freight rates amounting to $3.47 a ton, making a total of $5.14 a ton given Nova Scotia coal by way of assistance. That was paid on the coal moved into New Brunswick. Coal produced in New Brunswick received a subsidy of only $1, so that there was a difference of $4.14. This matter was continually brought to the attention of Mr. Brunning, who was head of the board during the war, but nothing was done.

Mr. HOWE: All the coal found a market, did it not?

Mr. BROOKS: Yes, all the coal found a market.

[Mr. McCullough.]

Mr. HOWE: Then your complaint is that the operators did not make enough money?

Mr. BROOKS: My complaint is that the operators of New Brunswick are carrying on at a loss, whereas coal coming from Nova Scotia received this large amount of help. I am not objecting to Nova Scotia getting this help, but I say assistance should be given New Brunswick for the movement of coal within that province. I believe it is shown in the report of the Carroll commission that assistance was given to British Columbia, for example, in connection with the movement of coal from the mines to certain sections of that province. I make a special plea for the coal mines in New Brunswick, because that is my own province. I am interested in general in the production of coal throughout the dominion, but I know the operators of my province have suffered during the last number of years because of the policies of this government, and they received very little sympathy from Mr. E. J. Brunning, who was administering our coal operations during the war. That is one reason why I have particularly asked the minister, when this board of seven men is set up, to see that consideration is given to appointing a man from New Brunswick. Our coal area is small, and in the past I have understood that for this reason no sympathy has been given, or at least not as much sympathy as should have been given. We were simply brushed aside and told, "You have only two per cent of the coal, so it does not make very much difference." That is why I am calling this matter to the attention of the minister. I do not say the minister himself has been unsympathetic, but he has been a very busy man. These matters have been looked after by other people, and New Brunswick has not received the attention to which it is entitled. They have almost ruined the coal industry in that province.

Mr. HOWE: That is a very serious charge. The earnings of every coal operator in New Brunswick are a matter of record with the emergency coal production board. I can give my hon. friend the list of operators and the profits they made, if he wishes. But I can testify to this, that during the period of the emergency coal production board no operator in New Brunswick went bankrupt.

Mr. BROOKS: I am not saying that. Is it necessary for a man to go bankrupt before the government will step in and give the assistance that is being given other people? I did not say these men went bankrupt; I said the industry as a whole lost money. Not only

that, but these men came to Ottawa at different times and made representations, and they received scant consideration.

Mr. HOWE: It is a serious thing for a member to stand up in the House of Commons and say the industry in New Brunswick lost money during the war. On what does he base that statement?

Mr. BROOKS: On the facts.

Mr. HOWE: I shall be glad to produce the profit and loss statements of all the coal operators of New Brunswick if my hon. friend wants to carry his charge before a committee of the house.

Mr. BROOKS: I will carry my charge before any committee; and I can take the Carroll report and show where these men lost money. If the minister has read this report through he must have seen that. I am not saying they all lost money.

Mr. HOWE: You said the industry lost money.

Mr. BROOKS: I said the industry in general lost money.

Mr. HOWE: It is all very well for a member to stand up in the house and abuse a board that carried heavy responsibilities during the war, mentioning the chairman by name and saying he was unfair and discriminatory. I think a little careful consideration is required before an hon. member takes action in that manner.

Mr. BROOKS: I thank the minister very much for telling me what I should and should not do.

Mr. HOWE: I would expect you to know.

Mr. BROOKS: I have heard the chairmen of boards criticized in this house, and I offer no apology for criticizing the chairman of this board.

Mr. HOWE: Very poor taste.

Mr. BROOKS: I have had representations from the miners of my province and my constituency, and they have not been at all backward about criticizing the chairman of this board. I have not the least doubt they have criticized him to the minister as well.

Section agreed to.

Sections 9 and 10 agreed to.

On section 11—Regulating and controlling production, distribution and use of coal.

Mr. HOWE: I pointed out, in introducing the resolution, that it seemed to me that parliament should consider an extension of the emergency powers. We are taking that emergency power in respect of coal, for the reason that the coal situation is not within the jurisdiction of Canada by itself. A large proportion of the coal Canada uses must be imported from outside this country.

The same applies to fuel oil. Therefore I suggest an amendment to the section which would give the government the same emergency powers in the matter of fuel oil that it is taking in the matter of coal. In other words, if a situation should arise where suffering would result because of Canada's not obtaining sufficient fuel oil, or because of an improper distribution of fuel oil, emergency powers could be invoked under the bill as they can be in respect of coal. Therefore I would ask my colleague to move an amendment on this point.

Mr. ST. LAURENT: I move:

That section 11 be amended by—
(a) changing the word "coal" wherever it appears in section 11 to the word "fuel," and
(b) adding as sub-section (7) the following:
(7) "Fuel" includes coal, light and heavy fuel oil including bunker "C" fuel oil, kerosene, range oil, gas oil, diesel oil and any other hydro-carbon fuel used for the same purposes as the above-designated grades.

Mr. REID: Would the minister explain how that changes the bill? I am thinking particularly of British Columbia where much of our fuel is wood and sawdust. I suggest that some care should be given before the government takes in all fuels from one end of Canada to the other. I have no doubt that the minister was thinking particularly of oil; but when he uses the word "fuel" he brings in wood. And I am not so sure that wood and sawdust should be brought in.

Mr. HOWE: There is no intention to apply the emergency provision to wood. The only intention is to include coal and liquid fuel oil.

Mr. HARKNESS: Is natural gas included in the list of hydro-carbons?

Mr. HOWE: No, it is not.

Mr. SHAW: It will be noted that section 11 (1) states:

Where the governor in council is of opinion that by reason of conditions or events within or outside of Canada there is or is likely to be a shortage of coal in Canada of such dimensions or nature as to imperil the welfare or national life of Canada . . .

Action may be taken to conserve the available supply of coal and to regulate and control its production, distribution and use. In my opinion there are two types of emergency which may face our coal industry. As one

who represents a constituency in which a considerable amount of coal mining is conducted, I feel concerned about the second type, and that is a condition which may develop under which we find our miners are out of employment and our mines are permitted to close down or to slow down production, actions which in themselves may result in a condition which this bill is designed to meet, should such condition arise.

I should like to see the board given authority to give just as much consideration to a national emergency of the kind to which I have referred as to an emergency where an actual shortage of coal production occurs. Under this bill, should stagnation within the industry develop, I suggest that the board should then proceed to take whatever action is necessary to maintain the industry in a sound and flourishing position. Would the minister indicate whether, as part of its work, the board may give attention to that aspect of a national emergency?

Mr. HOWE: The sole purpose of the bill is to set up a board which will keep the coal industry in a healthy condition. It is the duty of the commissioners to carry out that mandate. The emergency arises when a situation develops which the commission, under its ordinary duties and authorities, cannot handle, a situation which imperils the welfare of the nation. I think my hon. friend would hardly look to the emergency section to take care of the problem he mentions.

Mr. SHAW: It has always been my opinion that it is far better to head off an emergency by taking appropriate action than to try to meet it once it has come. Once again I urge that, in turn, the board be urged to do everything possible by every conceivable type of action to try to prevent our rushing headlong into an acute emergency involving a coal shortage.

Mr. McCULLOUGH (Assiniboia): I was about to speak along the same lines as the hon. member for Red Deer. Would the minister indicate whether or not we are now facing a real shortage of fuel oil, and that next winter we shall be finding ourselves short of it. People who have been contemplating the installation of oil furnaces are now told not to instal them. Then, the authority of the board should be wide enough to see to it that all possible coal is mined between now and next fall to produce every bit of coal we can. Would the minister indicate that, provided that a coal strike should come, or that some mines should shut down for one reason or another, the board would have authority to open those mines to see that coal is produced?

Mr. HOWE: It will be the duty of the board to make sure there is sufficient fuel in the country to protect the life of the country. The fact that a man would like to put in an oil burner and cannot be guaranteed a supply of fuel oil for that purpose scarcely constitutes a national emergency. But if there were any section of the country which did not have fuel of any kind, that might be a national emergency. The board would act in the matter of liquid fuel only if a situation of that kind developed; that is, if the lack of oil fuel became so serious that the national interests were prejudiced.

Mr. JOHNSTON: Section 11 states that the governor in council may be of the opinion that a shortage of fuel exists, and that it may declare a national emergency. The governor in council would be a comparatively small number of men. How could they override the rights of the provinces; because it is the provinces which have the control of their own natural resources?

Mr. HOWE: The wording of the bill was taken from the latest ruling of the privy council in England, when consideration was had as to what constitutes a national emergency which enables the federal government to take over jurisdiction. The hon. member is right when he states that the operation of coal mines is a provincial matter, unless a situation arises which is described under this bill as an emergency. In such circumstances the privy council has ruled that the right to act passes to the federal government.

Mr. JOHNSTON: Would it not be better to have it the governor in council in consultation with the provinces? It seems to me that that would be a more amicable arrangement than to just have the governor in council declare an emergency.

Mr. HOWE: I suppose it would use common sense. This idea of consulting with the provinces is not unheard of, as I think my hon. friend will admit. The wording is this:

> Where the governor in council is of opinion that by reason of conditions or events within or outside of Canada there is or is likely to be a shortage of coal in Canada of such dimensions or nature as to imperil the welfare or national life of Canada as a whole . . . .

That is a pretty serious situation and, when that happens, the federal government takes such action as it considers adequate. It does not need much advice as to what it does.

Mr. McCULLOUGH (Assiniboia): I am not just clear as to what the minister means. I take it he has indicated that the purpose of his amendment was to bring fuel oil under the jurisdiction of this board?

Mr. HOWE: No.

Mr. McCULLOUGH (Assiniboia): There may be in his mind or in the mind of the government the contemplation that an emergency exists. Press reports indicate that there is a fuel oil shortage, and I should like the minister to indicate whether or not that is to be declared an emergency.

Mr. HOWE: To give my own opinion, the situation today in Canada, as far as fuel oil is concerned, does not come within the competence of this section. There is not likely to be a shortage of fuel oil in Canada of such dimensions or nature as to imperil the welfare or national life of Canada as a whole. My hon. friend does not think so either.

Amendment agreed to.

Section as amended agreed to.

Section 12 agreed to.

On section 13—Payment of expenses.

Mr. HARKNESS: While we were in the resolution stage, I asked the minister to tell us what would be the extra cost of setting up this board over and above the cost of the government supervision of the coal industry as it has been exercised in the past.

Mr. HOWE: The only reason the board would cost more is that we expect a little more from it than we got from the dominion fuel board; its terms of reference are much wider. If my hon. friend wants to keep it within the proportions of the dominion fuel board, I suppose that can be done, and in that circumstance I presume it would not do much more than the dominion fuel board. But if this board is to carry on investigations, it will have to spend a little more money, and I presume my hon. friend would be quite willing to leave the amount to the government to determine.

Mr. HARKNESS: I did not say anything about what I wanted to do in connection with keeping within the powers of the dominion fuel board. I asked a straight question as to what the added expense of this board would be and I should like a straight answer.

Mr. HOWE: It all depends upon what the board undertakes. The cost in the past of the dominion fuel board was about $35,000 a year. My hon. friend will appreciate that an expenditure of $35,000 would not go very far in carrying out investigations and a number of the other duties which are set out for this board. I presume the new board will spend the amount required to enable it to carry out its much greater responsibilities.

Mr. HARKNESS: I still have not had an answer and I object to the minister going around like this and trying to throw me off the track. From the time that I first heard of building up this board—I say "building up" advisedly—I had the idea that essentially it would carry on some of the functions which have been carried on by people in various departments of the government and by the fuel board but that would cost a great deal of money. I thought it was just another board with a lot of high-priced help which was not under the civil service as far as I could see.

Mr. McILRAITH: Read the bill.

Mr. HOWE: My hon. friend has been listening to gossip. If he will read the bill he will see that everything he has said is not according to the facts.

Mr. HARKNESS: I think everything I have said is according to the facts. I should still like to know how much more this will cost, or an estimate. I want some sort of answer, and all I have had so far is evasion of my question.

Some hon. MEMBERS: Carried.

Mr. HARKNESS: I want an answer.

Mr. HOWE: Did my hon. friend happen to read the report of the royal commission on coal?

Mr. HARKNESS: I read it.

Mr. HOWE: That report sets out the duties of the board. My hon. friend will have noticed that they are considerably more extensive than those of the dominion fuel board. Will my hon. friend go that far?

Mr. HARKNESS: Yes.

Mr. HOWE: If the board is to carry out its more extensive duties, it will spend more money than the dominion fuel board. Will my hon. friend go that far?

Mr. HARKNESS: I asked how much more, approximately?

Mr. HOWE: I find myself unable to follow my hon. friend.

Mr. GREEN: That is a perfectly straight question. The hon. member has asked the estimated increase in cost, and surely the minister can give us that.

Mr. HOWE: At the first opportunity the government will come to parliament and ask for a certain amount, and that will be the amount we estimate the board will spend over a period.

Mr. GREEN: Can the minister say now what it is estimated it will cost?

Mr. HOWE: I cannot say at the moment.

Section agreed to.

Sections 14, 15 and 16 agreed to.

Bill reported, read the third time and passed.

FOREST CONSERVATION

EASTERN SLOPE OF ROCKY MOUNTAINS—AGREEMENT WITH ALBERTA

Right Hon. C. D. HOWE (Acting Minister of Mines and Resources) moved that the house go into committee to consider the following resolution:

That it is expedient to present a bill to approve a certain agreement between the dominion of Canada and the government of Alberta respecting the protection and conservation of the forests on the eastern slope of the Rocky mountains and to provide for the payment out of the consolidated revenue fund of sums required for capital expenditures, payments to the province of moneys for formulated programmes carried out by the province, salaries of officers and employees appointed under the act and expenses incidental to the operation of the act.

Motion agreed to and the house went into committee, Mr. Macdonald (Brantford City) in the chair.

Mr. HOWE: This bill proposes to ratify an agreement which has been entered into between the government of the province of Alberta and His Majesty the King, represented by the Department of Mines and Resources, to provide for certain expenditures in protecting the east slope of the Rocky mountains. Hon. members are aware that the east slope of the Rocky mountains is the locality of the head waters of two great rivers of Canada, the Saskatchewan and the Athabaska. Both the North Saskatchewan and the South Saskatchewan rivers and their tributaries are dependent largely upon the run-off from the east slope of the Rocky mountains for the maintenance of water levels throughout the year.

The east slope of the Rocky mountains was transferred to the province of Alberta with the transfer of natural resources. The interests involved in protecting the east slope of the Rockies are not confined to one province. The work is of equal importance to the provinces of Saskatchewan and Manitoba and Alberta. The government of Alberta have made representations to the federal government that that province is unable to finance the expenditures required to carry out the protection that all interested parties agree is required. The agreement provides that certain federal assistance will be given in carrying out a five-year programme for the purpose of clearing up a situation on the east slope that is harmful to the water resources of that area. Thus the agreement makes provision for a division of the responsibility between the federal government and the government of Alberta.

May I suggest that extensive discussion of this measure might be reserved until the bill and the agreement are before us. The bill itself is very simple. The agreement is more complicated, and we can discuss both intelligently when we have the bill and the agreement before us.

Mr. MacNICOL: I personally take a certain amount of humble satisfaction out of this resolution because, as the minister knows, for some years, after much travel on the east slope of the Rockies, I have been advocating just such a bill. The time has long since passed when the federal government should come forward and assist the Alberta government to protect the east slope of the Rocky mountains so far as financing goes, because this is not purely an Alberta question. The reclamation and maintenance of the forests on the east slope of the Rocky mountains affect the whole watershed, particularly of the Saskatchewan river, not so much of the Athabaska river because the latter river flows off to the northeast, but the maintenance of the forests on the east slope of the Rocky mountains does affect the watershed of the Saskatchewan river very much, both north and south, particularly west of the Alberta border. That comprises 125,000 square miles, which is a large area. West of the Alberta border the watershed of the North Saskatchewan is about 59,000 square miles, and the watershed of the South Saskatchewan is about 66,000 square miles. For years past those forests have been badly denuded and destroyed, principally by fire. I calculated a few days ago from data that I have, and which of course, the government has, that I would be putting it midly if I said that an average of 20,000 acres have been destroyed by fire each year on the eastern slope. At the head waters of the Brazeau and of the Red Deer and of the branches of the South Saskatchewan, it is sad to see whole areas on which the forests have been destroyed by fire. So that the government is to be commended on this agreement with the province of Alberta to prevent forest fires by

the regular means by which such fires are prevented.

I hope that when the minister again speaks he will tell us what the programme of protection is. If it is stated in the bill he does not need to take time to tell us now. There should be a long-range programme covering the number of acres or square miles that are to be protected and replanted each year and the methods by which the water is to be piped through the foothills and the eastern slope for the protection of the forests.

I found when I was in conference last October with the officials of the United States bureau of reclamation in Denver, Colorado, that they have a substantial programme for forest protection and the prevention of fires on the east slope of their Rocky mountains. They count it as an important part of their programme of reclamation, and so it is, because in that area, principally in the centre of their east slopes, the river basin is much like our own Saskatchewan river basin. So much depends upon the preservation of the forests, not only water for agriculture which will be required when our departments bring to completion the proposed reclamation of the dried-out areas through irrigation, but water for domestic purposes in the cities and towns that we hope to see grow on the banks of the Saskatchewan river when that whole area is reclaimed; also it is important for power production and for the conservation of wild life. The United States bureau of reclamation in Denver attach a lot of value to their wild life. They have many pictures illustrating the disasters which have overtaken their forest animals through fire, and I have no doubt that on our eastern slope of the Rocky mountains fire has caused great destruction to our wild life.

So it is an important programme. I have a recollection that the Minister of Mines and Resources either stated in the house or told me personally that the amount to be contributed to the Alberta government runs into three or four millions—

Mr. HOWE: It is $6,000,000 over a five-year period.

Mr. MacNICOL: That will be very helpful. I presume that the government of Alberta will be organizing the programme and the personnel of the staffs that are to superintend, not only reforestation in the mountains, but fire protection. I hope that the minister will advise us whether the Alberta government, before it starts out on its programme, is prepared to submit it to this government for survey and approval before the work is proceeded with. I have every confidence in the Alberta government doing the best it can to reclaim and restore the eastern slope, because it is vitally important to Alberta and vitally important also to Saskatchewan, since in due course the dried-out areas in Saskatchewan will also have to be reclaimed.

I do not know that there is very much more I need say. I remember that a year or more ago, Mr. V. E. Johnston, of the International Paper Company—I speak subject to correction—in an address before the Kiwanis club in Montreal stated that the prevention of forest fires had cost his company up to $250,000 a year. If a private company is willing to spend $250,000 a year for the protection of its own forests against fire we might easily call on the government to put up $6,000,000 over a period of five years, or $1,200,000 a year, for the protection of the east slope of the Rocky mountains. I am very happy indeed that the programme has been brought to this stage; I warmly support it because, when the forests at the foothills on the east slope were in a primaeval state, they contained a lot of ice and snow which, throughout the spring and summer, served the purpose of a spring to supply water to the prairies, and when they were burned down the effect on the glaciers was quite harmful. I do not know whether this is a fact, but I have been informed by the engineers in Banff park that the soot which rose in the air over the mountains from the forest fires, not only on the east slopes, but in the mountains generally, covered the glaciers and prevented them from growing at their natural rate. The Bow lake, the Crowfoot and Columbia glaciers have served as springs for the Saskatchewan, the Columbia and Athabaska rivers, so that every dollar we spend by way of protection of the forests on the east slopes of the Rocky mountains and for the purpose of reforestation is money extremely well spent for the good of Canada as a whole.

Mr. LOW: I think the suggestion made by the minister, that the debate take place on the second reading of the bill, is a good one. We are prepared to make a joint statement with the minister when the motion for second reading is moved, and I think it would best serve the interests of everyone if we said no more at this stage.

Resolution reported, read the second time and concurred in. Mr. Howe thereupon moved for leave to introduce Bill No. 362, respecting the protection and conservation of the forests on the eastern slope of the Rocky mountains.

Motion agreed to and bill read the first time.

UNITED NATIONS

POWERS OF GOVERNOR IN COUNCIL WITH RESPECT TO ARTICLE 41

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs) moved that the house go into committee on Bill No. 132, respecting article 41 of the charter of the united nations.

Motion agreed to and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

Section 1 agreed to.

On section 2—Powers of governor in council.

Mr. GRAYDON: Before this section carries, I should like to point out to the committee that this and the other clauses in the bill were referred after second reading to the standing committee on external affairs. While there, this clause received careful scrutiny by members, with the result that in the subsequent clause one finds the single amendment which the committee finally approved and submitted by way of recommendation to the committee of the whole house.

On this particular clause, without attempting to make any further observations, since I think we have already discussed practically all the matters of prime importance touching the principle of the bill, and perhaps its details as well, I wonder if the minister is in a position to tell us whether or not there are any countries other than those which he mentioned in his original speech on the second reading, which have since completed their procedure along lines similar to those we are now following. In other words, what other countries have delegated their authority from their legislature to their executive as is proposed in this bill?

Another question I would raise at the moment is the one that arises from the discussions which took place in the committee itself. It seems that there are two different ways by which the executive may be clothed with authority by the legislative branch in a matter such as this. In the earlier days, under the old league of nations, the clothing of the executive with powers from the legislative body came, I understand, through a blanket statute or authority passed at the time when the league covenants were before the house. An entirely different procedure is envisaged in this legislation, and perhaps will be envisaged in others, namely, that piece by piece, apparently, the government intends to ask for the clothing of that authority by the legislative body; and one of the external affairs officials indicated that he thought that was a sensible way of handling the matter. But the minister was not there, and for that reason we were not able to receive definite answers as to policy, which only the minister at this stage of the proceedings can properly give us.

I would be glad if he would comment on the reasons. I am not raising any criticisms with respect to them, but I think we should have some clarification, because in the days that lie ahead we may be asked to deal with other bills arising out of our commitments and obligations under the united nations charter, and the position should be made clear to the committee at this time. Perhaps the minister will give us some explanation.

Mr. ST. LAURENT: With respect to the first question, as to what other countries have clothed the executive branch of their sovereignty with powers required to carry out the directives that may be made by the security council, the former inquiry had to do with the British commonwealth countries, and I mentioned some. I am not sure whether I mentioned at that time the action that had been taken by the legislative assembly at New Delhi. We did get information that there had been introduced and passed by the legislative assembly at New Delhi a bill much in the form of this and of the legislation adopted by other British commonwealth units, empowering the governor to make orders, which would become effective upon publication in their official gazette, to carry out such directives as might properly be made by the security council under article 41 of the charter.

Mr. GRAYDON: Australia and South Africa—

Mr. ST. LAURENT: Australia has not so far proceeded to do so.

Mr. GRAYDON: Nor South Africa?

Mr. ST. LAURENT: No. Those who have done so are United Kingdom, New Zealand, India; and it is being proposed that Canada do so as well.

Mr. GRAYDON: Does the minister know of any special reason for the delay in the other units of the commonwealth he has mentioned?

Mr. ST. LAURENT: No. I do not think the question has been looked upon as urgent in view of the fact that the security council has not yet put itself in a position where it would be able immediately to make directions under this article 41 of the charter, even if any such should be considered as desirable.

To answer the second question, the covenant of the league of nations was ratified by

Canada in the form of a statute. Legislation was passed which made the covenant a part of the law of Canada and empowered the governor in council to take such action as might be required in order to comply with the obligations undertaken by accepting the covenant. Hon. members will recall that the form of the ratification of the charter of the united nations which was suggested and passed, was resolutions of both houses of parliament requesting His Majesty to ratify in the name of Canada. That did not constitute legislation. The real reason for coming from time to time only with such things as the government is prepared to recommend to parliament is the anxiety which was expressed many times in this house over the giving of blanket authority to the executive branch of the state. There are occasions when it may be necessary, in the interests of the security of the state, to get blanket authority; but this did not appear to be a case where it could be seriously stated that there would be apt to be danger to the security of the state without blanket authority. Under those conditions it was felt that it would be complying better with the temper of this house to ask only for the things which appeared to be necessary and not to take for the executive branch any greater powers than the House of Commons would feel it was reasonable to grant.

Mr. GRAYDON: I think the government will keep out of trouble better that way than by following some other suggestions.

Mr. ST. LAURENT: It was felt that in that way the immediate interests of the country would be safeguarded and we would not be asking the House of Commons to commit itself to anything which is not foreseen at this time. Therefore it was felt that it would be better, even at the risk of having to come back more than once, to have a real case every time some transfer of authority from parliament to the executive branch of the government was being sought.

Mr. GRAYDON: The government is reducing the denomination of the blank cheque.

Mr. BLACKMORE: Can the minister tell the committee whether or not any nations outside the British commonwealth have passed legislation similar to this? Can he give us the names of any nations which have done so?

Mr. ST. LAURENT: No, I cannot give the names of any nations outside the commonwealth which have passed legislation similar to this. I know that legislation is not required under the constitution of the United States. When the charter of the united nations was ratified in accordance with the procedure required by their constitution, by virtue of the constitution it became the law of the land. There are many other countries which have constitutional provisions whereby any treaty legally ratified by their government becomes the law of the land. Under the British system, parliament remains supreme and there must be some legislative action by parliament to make it the duty of a British citizen to do something which can be required of him because of a commitment in an international treaty.

Section agreed to.

On section 3—Penalty for violation.

Mr. GRAYDON: Perhaps the minister will want to go through the usual procedure with respect to the amendment to this particular section. Is it section 3 or 4?

Mr. ST. LAURENT: Section 4 is the one which is amended.

Mr. GRAYDON: Then it is section 4 that I wanted to speak to.

Section agreed to.

On section 4—Tabling in parliament.

Mr. GRAYDON: I think the minister will want to make a change in that section, because an amendment there was recommended by the committee on external affairs. Otherwise it is all right.

The CHAIRMAN: The bill as presented to the committee shows an amendment which was made by the committee of external affairs. In the second line of section 2 the words "within fifteen days" are struck out and the word "forthwith" is inserted in their place; and in the fourth line the words "within fifteen days" are struck out and the word "forthwith" is inserted in their place.

Mr. ST. LAURENT: Yes. The recommendation of the committee on external affairs is accepted by the government. I would ask my colleague to move that the words "within fifteen days" in line two and "within fifteen days" in line 4—

The CHAIRMAN: Order. The amendment is now before the committee. The bill has come to the committee of the whole as amended.

Mr. ST. LAURENT: So no motion is necessary?

The CHAIRMAN: No.

Mr. BRACKEN: The committee on external affairs cannot amend the bill. The committee may recommend an amendment, but the house must accept it. I suggest, in all deference, that a motion is in order for a change to be made.

The CHAIRMAN: May I point out that this bill received second reading, after which it was referred to the committee on external affairs. That committee considered the bill and made this amendment. The bill has now come to this committee of the whole as amended by the committee on external affairs. If this committee desires to amend the bill further, it has the power to do so.

Mr. COLDWELL: Is not this the position, Mr. Chairman? As a result of its deliberations, the committee made a report to the house, and that report recommended the substitution of the word "forthwith" for the words "within fifteen days." I am not sure if the recommendation is sufficient to enable us to pass the bill with that change. I rather agree with the leader of the opposition that it would require an amendment by the house, but I am not sure about that procedure.

Mr. JACKMAN: Sometimes the government has not accepted the recommendations of a committee.

The CHAIRMAN: Order. This is not a new procedure. On other occasions the committee as a whole has considered bills which have been amended in committee. If hon. members will look at the order paper they will find under order No. 5:

June 10—House in committee of the whole on Bill No. 132 (Letter F of the senate) intituled: "An Act respecting article forty-one of the charter of the united nations" (as amended).

The bill is now before this committee as amended.

Mr. COLDWELL: By concurrence of the house in the report of the committee?

The CHAIRMAN: The bill has not as yet been reported.

Mr. COLDWELL: I mean the report of the committee on external affairs, which made this recommendation, and the report of which was concurred in. I presume that is how the amendment was made. I am not certain whether we are sure of this procedure; I am a bit foggy about it.

The CHAIRMAN: The committee on external affairs reported the bill with amendments. Then it was placed on the order paper, where it is indicated as having been amended. It is now before the committee

[The Chairman.]

with those amendments. This committee can either accept the amendments, and, if they do, no motion to amend is necessary, or if the committee do not want to accept the amendments they can further amend the bill by striking them out and putting it back in its original form, or by making other amendments which would be in order.

Mr. BRACKEN: The point I raised was wholly technical and should not require any of the time of this house to determine. It seems to me that the procedure suggested by the Chairman is going at it wrong end to. This house should not be asked to undo something a committee has done. The house should be asked to approve something the committee has done; and if the minister or some member of the government would move that the recommendation of the committee be carried out there is no question but that the procedure would be proper. In all deference, I suggest that the other procedure is wrong.

The CHAIRMAN: I point out to the leader of the opposition that, by accepting section 4 as amended, the committee is approving the amendment made by the committee on external affairs.

Mr. MacINNIS: The position of this bill is no different from that of any other bill which is referred to a committee. It comes back to the house with the various amendments, and it is not then necessary for the minister to have someone move those amendments, as it would be if the bill had not gone to a committee, and as it would be if they desired to make additional amendments. If any further amendments are to be made now the minister will have to adopt the procedure he suggested in the first place.

The CHAIRMAN: If the amendment is satisfactory to the committee the adoption of this section would be tantamount to an acceptance of the amendment made by the committee.

Mr. BRACKEN: It is not worth while taking any more time of the committee, but I think we should get the procedure clear. A few days ago this house was presented with a bill. That bill was referred to a committee for consideration. That committee suggested certain changes, and those suggestions come to this house for approval.

Mr. MacINNIS: They are before the house now.

Mr. BRACKEN: They are not before the house. They would be if somebody moved

that the amendments recommended be accepted. We have a printed bill, but my point is that officially these amendments are not before us. They would be if the minister moved them; but I do not want to take any more time on a purely technical point.

Mr. ST. LAURENT: Probably we can cover whatever divergency of view there may be about the proper procedure. I will move that section 4 as amended by the committee on external affairs be accepted by this committee of the whole.

Motion agreed to and section as amended agreed to.

Section 5 agreed to.

Schedule agreed to.

Title agreed to.

Bill reported.

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

Some hon. MEMBERS: Now.

Mr. BLACKMORE: I should like to have third reading deferred until the next sitting.

Mr. SPEAKER: Has the minister leave of the house to move third reading?

Mr. ST. LAURENT: No; there is an objection. Next sitting.

IDENTIFICATION OF CRIMINALS

EXTENSION OF ACT TO PERSONS CHARGED WITH EXTRADITABLE OFFENCES

Right Hon. J. L. ILSLEY (Minister of Justice) moved the second reading of Bill No. 259, to amend the Identification of Criminals Act.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

INTERPRETATION ACT

PROVISION FOR CORRECTION OF ERRORS, ETC.

Right Hon. J. L. ILSLEY (Minister of Justice) moved the second reading of Bill No. 260, to amend the Interpretation Act.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

JUDGES ACT

ASSOCIATE CHIEF JUSTICE, PROVINCE OF QUEBEC—ADDITIONAL JUDGE IN BRITISH COLUMBIA

Right Hon. J. L. ILSLEY (Minister of Justice) moved the second reading of Bill No. 262, to amend the Judges Act, 1946.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

On section 1—Salary of associate chief justice.

Mr. HACKETT: As I understand it, the only change is in the name?

Mr. ILSLEY: Yes, the name is changed by Quebec legislation: This bill is passed to comply with the Quebec legislation.

Section agreed to.

On section 2—Salaries of judges of Supreme Court of British Columbia.

Mr. FULTON: In view of the amendment to the Judges Act made last year with respect to pensions, and so on, will any change be necessary because of the addition of one judge to the Supreme Court of British Columbia; or is that taken care of?

Mr. ILSLEY: No further amendment is required. The amendment made last year applies to the additional judge.

Section agreed to.

Bill reported, read the third time and passed.

EXCHEQUER COURT ACT

AUTHORIZATION OF PAYMENT OF SALARY TO REGISTRAR

Right Hon. J. L. ILSLEY (Minister of Justice) moved the second reading of Bill 263, to amend the Exchequer Court Act.

Motion agreed to, bill read the second time, on division, and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

On section 1—Registrar of exchequer court.

Mr. HACKETT: I asked when the resolution was under discussion if the minister could state the salary of the present incumbent. I do not know whether he said he would have the information available at this time. If so, I should like to have it.

Mr. ILSLEY: The salary is $5,000.

Section agreed to, on division.

On section 2—Coming into force.

Mr. KNOWLES: What is the reason for this section, which has the effect of making the provision retroactive? Does it mean that the increase has already been made?

Mr. ILSLEY: The increase has not been made. It was thought it should be applicable to the present fiscal year.

Mr. POULIOT: This is the right kind of legislation. When there are increases in salaries they should be made by legislation rather than by order in council. I congratulate the minister on the bill; I do not see how any hon. member could oppose it. This is progress. We are all subject to control by parliament, and this is control by parliament. It is the right way of doing it, and my hon. friends know that. They knew it before I spoke, but they did not think of it. I am reminding them. I hope this procedure will be followed in the future. If it is not, perhaps there will be some trouble. But when it is followed it is a good sign.

Mr. CASTLEDEN: I understand that the provision is being made retroactive to April 1?

Mr. ILSLEY: Yes, of this year.

Mr. CASTLEDEN: But the amendments to the Old Age Pensions Act are not being made retroactive.

Mr. ILSLEY: To May 1.

Mr. CASTLEDEN: But not to April 1.

Mr. ILSLEY: No; there were certain reasons why they could not be. My hon. friend is making a point which he may make use of somewhere. But I do not think it is an important point.

Mr. KNOWLES: If the argument is put forward that this should be applicable for the fiscal year, then I suggest that it should apply in other matters. The principle is the same.

Mr. ILSLEY: The hon. member could offer an amendment.

Mr. KNOWLES: I move:

That the word "April" in line 16 of the bill be deleted and the word "July" be inserted in place thereof.

Amendment negatived.

Section agreed to.

Bill reported, read the third time and passed.

JUVENILE DELINQUENTS ACT

LEAVE TO APPEAL FROM DECISION OF JUVENILE COURT OR MAGISTRATE

Right Hon. J. L. ILSLEY (Minister of Justice) moved the second reading of Bill No. 267, to amend the Juvenile Delinquents Act, 1929.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

[Mr. Knowles.]

On section 1—Appeals by special leave.

Mr. JAENICKE: What is meant here when reference is made to a supreme court judge? Is it the Supreme Court of Canada or a provincial court? I ask the question because there is provision in the last sentence for appeal to a supreme court judge instead of to the court of appeal, with a further right of appeal to the court of appeal by special leave of that court. Is that the Supreme Court of Canada? Is there an appeal from a judge of the Supreme Court of Canada to a provincial appeal court?

Mr. ILSLEY: It is the supreme court of the province, I feel sure. I can send for the act, but I feel sure it is the supreme court of the province. I believe it would be clear if the act were consulted.

Mr. HACKETT: That being so, it is possible the bill might have to be worded differently, because in Quebec the court which would exercise jurisdiction would probably be the court of king's bench. Unfortunately I have not the statute before me.

Mr. ILSLEY: All I can say is that the point has not arisen so far as I know. This is not a new section; this is the wording of the existing act, and I am not aware that that wording has caused any trouble. I am not able to answer specifically the point that has been raised. The only change in the section is the addition of three words, "or a magistrate." Perhaps we would be safe enough in leaving the old wording as it is and the matter could be looked into.

Mr. JAENICKE: I suggest that we let the bill stand for the time being, and we can look up the matter so that there will be no misunderstanding. We have no supreme court in Saskatchewan; there is no supreme court in Manitoba and the same applies to Quebec.

Mr. HACKETT: The only change is the addition of the words, "or a magistrate."

Mr. JAENICKE: If the law is faulty now, why not amend it when we have the bill before us?

Mr. FULTON: If the law is working, why bother to change it?

Mr. HACKETT: Possibly we might pass the section as it is and then, if there is any difficulty, it could be cured on third reading.

Mr. ILSLEY: I will not ask for third reading tonight. On the motion for third reading it can be referred back to the com-

mittee with instructions that they have power to amend. I shall see whether such amendment is necessary.

Section agreed to.

Bill reported.

SUPPLY

Right Hon. L. S. ST. LAURENT (Secretary of State of External Affairs) moved that the house go into committee of supply.

Motion agreed to and the house went into committee of supply, Mr. Macdonald (Brantford City) in the chair.

DEPARTMENT OF PUBLIC WORKS

279. Departmental administration, $227,019.

Mr. MERRITT: When I was speaking about Ripple Rock just before the committee rose the other day, the minister interjected to ask me if I had a written statement from Colonel Swan as to his opinion on the offer of the Malahat Shipping Company. I have no statement from Colonel Swan, but I have a newspaper clipping from the Vancouver *Sun* of March 27 last in which Colonel Swan is quoted as being in general approval of the method advanced by Captain Lawson. One short part of this article reads:

> One of these schemes which I examined is that of Captain Lawson of this city, and a second by B. F. Lundy, also of Vancouver. I feel certain there is certainty that such a method would be successful.

That is my authority for the statement I made the other night. I have on my file a list of various organizations in Vancouver which have stated they are in favour of this plan. Without taking up more time of the committee, I think this is a good place for me to make my point to the minister. Here is a rock which it would be very advisable to remove. The department has attempted to remove it on previous occasions, and there is a considerable public demand in British Columbia for its demolition. This company comes along and puts up a proposition for the removal of the rock on a no cure, no pay basis. The minister's department very properly enunciated three prerequisites to a contract. Those conditions are that the minister is satisfied with the technical assistants, that the company has adequate financial backing, and that No. 2 rock will be removed. Surely a year after the original offer was made this matter could be settled one way or the other, not by my saying whether or not I have Colonel Swan's signed affidavit, but by the minister's department getting in touch with Colonel Swan, the engineer upon whom Captain Lawson apparently relies. If what Captain Lawson says proves to be the case, you can go ahead. If it proves not to be the case, you can turn the offer down. But it seems to me that a matter like this cannot be settled from a distance of 3,000 miles. Surely there is enough here to warrant the minister going into it thoroughly and accepting the offer if it is good or rejecting it if it is bad. I see no reason why this matter should go on month by month in an indeterminate state. That is the particular point I wish to bring to the minister's attention now. He said that there had been thirteen different suggestions since the last work was done on the rock. I feel that all those thirteen suggestions should be taken seriously and a decision made on each of them. I think that on the particular proposition I have mentioned to the committee there is enough to warrant investigation and to require a decision to be made.

Hon. ALPHONSE FOURNIER (Minister of Public Works): I should like the hon. member to understand that there is no finality concerning a project of this kind. We have tried for years to remove the rock and we have spent large sums of money, but the time came when even those who had made favourable reports, just as Mr. Swan believed that such a scheme would succeed, had to admit that no headway was being made. On the other hand, every day that went by, the costs were piling up on the government and we could not see the end of the project even with the best methods that my engineers thought could be applied. That involved a barge being held by overhead cables. The government at one time decided to dispose of the barge, pay the accounts, and instruct our engineers to study other means that might be suggested or that could be devised. Even at that time I sent my chief engineer, Mr. Cameron, one of the outstanding engineers in the country, who has since retired, out there. That was the last work he did in the department. He spent three weeks out on the coast in the fall of 1945 and a few months afterwards resigned or was superannuated. I have to rely on my own engineers for their judgment on the different schemes suggested. The last scheme that Mr. Lawson suggested was a kind of platform which would be held by cables, as we try to hold the barge, but still my engineers say that you cannot proceed with drilling from a platform which is held only by cables. There has to be some way of stabilizing that platform by some anchor-

age. I do not think there are many engineers who could agree on a practical method of blasting that rock.

The hon. member says that we should not delay month after month and year after year. I am not so sure but that prudence would caution us to be very careful, because during three or four years we have continued to spend the people's money and to get no results. The last estimate we received was for nearly $2 million. If we made that expenditure and got no results, would I receive the approval of members of parliament for making that expenditure? Members could easily find some reason for saying: You should not have gone ahead so quickly about this but should have got more advice. My own engineers are doubtful about it, but there are so many people who are not engineers who think they know how it should be done. Opinions come from everybody. When I was out there I did not know what to do to get away from all the telephone calls I was receiving. I would inquire if they were engineers, and they would say no, but that they knew how to blast this rock out of Seymour Narrows.

Before I would recommend to the government that an appropriation be placed in the estimates to proceed with this work, I would need more advice than we have received. I must say that I was not impressed with the last letter the company wrote to us with respect to the "no cure, no pay" offer. We had inquired into the financial standing of that company and whether they had experienced personnel, and they took a very long time to reply. I have not read one of the last letters. They still maintain the "no cure, no pay" proposition, but they have started to say: You could make some advance to us when we start on the work. That is not a "no cure, no pay" proposition, if we are to make progress payments.

Mr. MERRITT: That is not my information. In the letters I have had there is no suggestion of anything but the "no cure, no pay" basis.

Mr. FOURNIER (Hull): I have not read the letter myself. I am taking the word of my deputy minister, and I am sorry I said that if it was not a fact because I would not want to harm the case of these gentlemen. When we asked them whom they had employed for engineering advice they mentioned Mr. Swan. I am advised that, though he thinks this method would be a good one, he is not ready to go as bondsman to guarantee the completion of the work by that scheme. I am putting it fairly to the hon. member. If he had the responsibility of the expenditure of the money and his officers, the engineers of his department, were not satisfied that the scheme would succeed, I do not know what position he would take. But personally I am hesitant about it.

Mr. MERRITT: Does the minister say that his engineers have gone into this specific proposition of the Malahat Shipping Company and made all the inquiries they consider necessary about it?

Mr. FOURNIER (Hull): Perhaps they can go farther in their study of the conditions, but the report I received was that the platform scheme is only a modification of the barge scheme held in place by overhead cables.

Mr. MERRITT: I do not want to get into a discussion of engineering details, but I understand that the platform will not be held in place by overhead cables but will be set in the rock. I am only asking now that the minister take this offer seriously and see to it that the appropriate officers of his department investigate it thoroughly both from the engineering side and as to the financial backing of the company. If he finds either that they have not a proper system or have not the requisite finances behind them, then I shall not be heard from any more. But I do not like the matter left in this uncertain state where, so far as I can find out, everything has been done by correspondence and there has been no move by the department to go to Vancouver and look into Captain Lawson's offer thoroughly. I suggest that that be done.

Mr. GIBSON (Comox-Alberni): This rock happens to be in my riding and I think I should have a few words to say about it. The hon. member for Vancouver Burrard has brought up a subject that merits a hearing, and if this is truly a "no-cure, no pay" proposition I can see no reason why the minister would not consider it seriously. I myself would think that probably a fair proposal would be to say to them: You start it. After all, I can assure you that no one can do any harm to that rock, and if they knocked ten feet off it would be fair to pay them one-third of the cost, and if they knocked twenty feet off, pay them another third. As far as engineering ability is concerned, that is something I would not emphasize too much. In my opinion we had too much engineering ability on it the last time. The removal of Ripple rock is not an ordinary engineering problem. I think a number of hard-rock miners and good loggers would do a good job on it. As

regards the menagerie that existed there the last time, I had difficulty in explaining to the people of Campbell River and the adjacent area how it was that the government could find money to spend up there and still could not provide funds for necessary public works. I think we should know definitely whether this is a "no-cure, no pay" proposition. I would not be afraid of that rock. They cannot do it any harm, and if they blasted ten feet off into the water they would have proved that they had a sound proposition. I would not stop them from going ahead to that extent. Probably it is not the way in which a government does things, but I could never understand why it would not call for tenders.

Mr. FOURNIER (Hull): We did.

Mr. GIBSON (Comox-Alberni): Have you ever called for tenders?

Mr. FOURNIER (Hull): The first time we asked for tenders we received a firm price of $250,000, and they did not even put the barge in place with that amount.

Mr. GIBSON (Comox-Alberni): You did not pay the money in that case?

Mr. FOURNIER (Hull): Yes. Actually we have paid $892,000, and when people ask me for floats and breakwaters along the coast when I have spent some $900,000 I feel sore.

Mr. SMITH (Calgary West): You should feel ashamed.

Mr. GIBSON (Comox-Alberni): Last year I congratulated the minister on stopping the work that was being carried on there because I thought he had done a wise thing, and before he starts again I would suggest that he get a firm tender without any money in advance until he gets some rock blown off.

Mr. FRASER: The other night mention was made of some of the offices owned by the department. I believe the city council of Ottawa a few months ago discussed the smoke nuisance. I do not think it is much use trying to clean up the offices until such time as the government stops the smoke nuisance, because I have noticed from the parliamentary restaurant here, looking down at the temporary building, that during cold weather the stack throws off smoke for an hour at a time and that smoke drifts over to the supreme court building and over the city. Look over to the union station and you will see the stack behind that station throwing off smoke hour after hour, though only on certain days. Look at the national revenue building; at certain times—not at all times but sometimes—the stack there throws off smoke that blankets the Chateau Laurier hotel. That is why I believe their curtains have to be washed so often. The curtains in my room get black in about two weeks' time. I was wondering whether there was some way the department could check on that. A year ago I mentioned the Daly building, and since that time the stack there has not thrown off smoke. The engineers must have done a good job on the oil furnaces. I suggest that the other furnaces need checking on. The minister should get after them and see if something cannot be done.

Mr. FOURNIER (Hull): We did do something at the Daly building.

Mr. FRASER: Yes, and that is clean now.

Mr. FOURNIER (Hull): Down here we have the central heating plant for all these buildings and they are lower down. We will take a note of what the hon. gentleman has said.

Mr. FRASER: There must be some way of stopping the excessive smoke. It happens only at certain times, but when it comes it blankets all that part of the city and the supreme court building. There is another building I am thinking of. I do not know whether it belongs to the Department of National Revenue or is in the income tax section, but the stack there throws off smoke in clouds, and the prevailing wind is from that direction to the Chateau Laurier. It certainly covers everything, and I believe we get some of that smoke in the House of Commons.

Mr. GIBSON (Comox-Alberni): Also the sulphur.

Mr. FRASER: Yes, but that is not a government project. Can the minister tell me whether the government owns all eight buildings that are occupied by the national film board, or whether some of these are rented?

Mr. FOURNIER (Hull): Most of them are rented. They occupy, I believe, four or five.

Mr. FRASER: I believe there are eight buildings altogether.

Mr. FOURNIER (Hull): There are eight. We own the John street building and we put up a fireproof building for storing films. They have space on Sparks street.

Mr. FRASER: Which is expensive space.

Mr. FOURNIER (Hull): It is all quite expensive, but the film board has eight different locations and the situation is far from being satisfactory. That is why there was a certain vote to prepare plans.

Mr. FRASER: Can they not go into one of these temporary buildings built during the war?

Mr. FOURNIER (Hull): They are all occupied. All the buildings here, except space at the records building on the farm and except for changes that are being made every once in a while in the city, are occupied. As I told the committee the other night, we own fifty-two buildings in Ottawa and rent ninety-six. Though the space situation is not as bad as it was eighteen months ago, it is still not satisfactory.

Mr. FRASER: What is the rental?

Mr. FOURNIER (Hull): Perhaps the hon. gentleman will let me proceed. I am on the general item now and I will give the information as soon as we reach his question.

Mr. FRASER: There was something else that struck me last winter. When we had a heavy fall of snow I noticed that the trucks were running down here—

Mr. FOURNIER (Hull): That does not come under my department but under the federal district commission.

Mr. MOORE: I wish to direct a question to the minister regarding the proposed federal building for Flin Flon, Manitoba. The minister has had many communications—

Mr. FOURNIER (Hull): For three hours we have been discussing general questions. When we get to the architectural branch in that province I will answer the question with regard to Flin Flon.

Mr. KNOWLES: Will you accept the question even if there is not a vote?

Mr. FOURNIER (Hull): Certainly. Any building you wish to suggest.

Mr. PEARKES: With reference to Ripple Rock, I wish to take this opportunity of thanking the minister for the work which is being done in Nanaimo harbour where he has done a great deal of dredging and is improving the wharf there. I should not like him to think that is the only work which is necessary around the coastline of Vancouver island. I could name quite a number of other places which need not only fishermen's floats, but wharves, breakwaters and dredging, in exactly the same way as the hon. member for Halifax went around his coastline and mentioned every fishing village there. If any money is to be saved by discontinuing the work on the blowing up of Ripple Rock—which my fishermen consider in the main a menace to the Yankee skippers who do not know those waters; my fishermen can go over it at any time—I should like it to be spent in the constituency of Nanaimo. I have not a great deal of hope because there is no by-election coming along this year, but I still live in hope.

Item agreed to.

Architectural branch—
280. Branch administration, $271,316.

Mr. KNOWLES: Once again I should like to ask the minister a question with respect to wages and holidays with pay for cleaning women in public buildings. This is a matter which I have discussed with the minister before on a number of occasions. I appreciate the fact that he has given attention to it and from time to time has been able to have certain improvements made. In fact, this very year an improvement was made with respect to holidays and sick leave for these women. Prior to this year, there was no general provision for holidays or sick leave, but owing to the requirements of the provincial law in Manitoba arrangements were made two or three years ago for the women there to get six days' holiday or sick leave a year, but the one exhausted the other. However, this year the minister changed that and made it a general provision throughout the service so far as this work is concerned. The women now get six days' holidays with pay a year; and in addition to that, they are entitled, if they are off sick, to six more days without loss of pay. I can assure the minister that this provision is very much appreciated. However, so far as the women working in the public buildings of Winnipeg are concerned, I would point out that this announcement was not of as much an advantage to them as it was to the women here in Ottawa, because they already had the six days' holidays a year with pay. I would point out to the minister that the hours of work there are a little longer than they are here. The reason is obvious. For example, in this building the women must do the work in the morning; but in Winnipeg the work is done in the evening and it is possible for them to work for a longer period of time. Many of these women are getting along in years. Many are widows who have been forced to find work of this kind in order to keep themselves going. I am sure the minister will agree with me that it is not too much to suggest that they should have two weeks' holidays a year. I hope he will continue the good work he has done in interesting himself in the case of these women, and will try to get that extension at as early a day as possible.

Just before the minister made his announcement about these improvements on February

6 of this year, there was some press publicity with regard to what was coming. Unfortunately, the publicity went a little farther than the minister's statement went, because it indicated that, in addition to the holidays and sick leave to which I have referred, there would be some increases in pay. The minister's statement did not include that. When I questioned him about it, he told me that the matter of recommending rates of pay for these women comes under the Department of Labour. Subsequently I directed my questions to the Minister of Labour with regard to this matter, and on February 10 he made a reply which reads in part as follows, as reported at page 252 of *Hansard:*

> The Department of Labour has undertaken a survey to ascertain whether on the basis of prevailing rates of pay this particular group of employees is entitled to an increase in remuneration.

I allowed a considerable period of time to elapse, until April 29, when I again directed a question to the Minister of Labour as to whether that survey had been completed. In his reply on that date, as recorded at page 2518 of *Hansard,* the minister said:

> Since the beginning of the year the Department of Labour, on the request of the departments concerned, has made recommendations with respect to wage rates for this class of service at the following points: Toronto, Hamilton, Windsor, London, Winnipeg, Montreal, Kingston, Brantford, Kitchener, Vancouver, Sudbury, Wallaceburg and Saint John, New Brunswick.

That statement of the minister suggests that recommendations with respect to wage rates had been made at those various points, but does not say whether any changes in wage rates had been made. The present minister's statement, as he will recall, did not cover wage rates. It just covered holidays with pay and sick leave. The concluding sentence in this same reply of the Minister of Labour was as follows:

> The survey to which my hon. friend refers, and which I mentioned on February 10, is not yet completed.

So far as the rumoured increases in wages for these women are concerned, that means that nothing had happened up until April 29. At that point it seems that the Minister of Public Works was still waiting for the Minister of Labour to have his survey completed and make a recommendation to him. I recognize that there has to be this reference from one department to another in the government service and that there has to be a proper allocation of jurisdiction. I also recognize that the Minister of Public Works has shown an interest in these women, and I know he will do everything he can to expedite the matter in the proper way. So I am asking him now if he can tell the committee whether anything has happened since April 29, and in particular if he will continue to do his best on these two counts: (1) the matter of extending to two weeks the holidays with pay, particularly for those who work longer hours, as is the case in Winnipeg; and (2) the matter of continuing his negotiations with the Department of Labour looking toward an increase in pay for these women cleaners.

Mr. FOURNIER (Hull): To answer the first question, the difficulty is that these are part-time employees who work two or three hours a day.

Mr. MacNICOL: For how many months a year?

Mr. FOURNIER (Hull): They work the year round. But actually, since February, the government has granted six days' or a week's holidays with pay and six days' sick leave. Now the request is for two weeks' holidays with pay. That would come in line with the ordinary civil servant. We compare what we do in the service with what is done in industry elsewhere. The objection is that in Ottawa they work for only two or two and a half hours in the morning; they do not work all day. If they were working all day I am told two weeks' holidays would be quite justified, but in view of the few hours of work they do a day it would be hardly justifiable to give them two weeks' holidays. My officials give me examples from other cities in the country where people are employed part time, and where they are given only one week's holidays with pay. That does not mean I agree with that policy. I live in this district and have been living here for a long time. I know a great many of the people working in this district; I sympathize with their case, and I think I have been their advocate for a good many years.

Mr. KNOWLES: That is right.

Mr. FOURNIER (Hull): I am still very well disposed toward them, but I am not the only one who has to decide these matters. One thing is certain: I do not offer any opposition when a good suggestion comes to the fore.

As to the second point, in connection with salaries, in every town and city mentioned by the Minister of Labour inquiries were made and increases were given in the rates of pay. There are none of those places where there were not increases following the investigation. Perhaps my hon. friend does not exactly understand the procedure that must be gone through. Public works, who employ and pay

these people, get a request from Toronto, for instance, saying, here are the conditions of work, and the salary does not equal that paid by other industries in the same locality. We send a request to treasury board, which advises us in this matter, and treasury board goes to the labour department, which carries on the survey and makes a report. Then, when treasury board makes a decision it is confirmed by the cabinet. Public works does not interfere at all in the fixing of these rates, except to make representations to treasury board that for similar work outside or in other departments the rates are not similar. We await a recommendation from the labour department to treasury board. I think we are paying the rates paid in the locality by others employing the same kind of labour.

Mr. KNOWLES: I appreciate the comment of the minister, and if my previous remarks are checked over I think it will be noted that I referred to the difference between the hours of work here in Ottawa and the hours of work in Winnipeg, where I am a little more familiar with the situation. I know that in this very building for example, the women come in the morning and work for a very short period of time. In the dominion public building and the customs building in Winnipeg, for example, they work in the evening. I would rather not state the time, because I dislike making any statement that is not exact, but I believe their working time runs to about six hours a night. I know the total number of hours they work a week comes so close to the hours listed in the Manitoba provincial law that the minister recognized a few years ago that they should be treated as full-time employees in that province. I do not like to make a distinction between the women in one city and those in another. The minister would agree with me, I know, that the best that possibly can be done for them all across the country should be done. But I ask him to consider, and to have his officials consider, that women who are working, let us say six hours a day, putting in thirty-six or thirty-eight hours a week, or maybe more —because they work six nights a week in Winnipeg—are in a little different position with respect to this matter of two weeks' holidays a year.

Mr. FOURNIER (Hull): I shall have my officials look into that case.

Mr. KNOWLES: I trust that will be done from the angle I have indicated, because I point out to the minister it was that difference what buildings we rent for the use of this film years ago to provide one week's holidays with pay for these people in cities like Winnipeg, even before it was done here.

With regard to the other matter, concerning wage rates, did I understand the minister to indicate that there had been an adjustment since April 29? I mention that date, because at that time the Minister of Labour said the survey to which I have referred, and which he had mentioned on February 10, had not been completed.

Mr. FOURNIER (Hull): No. These investigations and surveys in regard to rates of pay go on the year round. I think I signed something not long ago making a recommendation to the treasury board for an increase in regard to London or some other city. This process goes on all the time. I am regularly signing requests for changes in the rates of pay for these people. As wages go up in one city, we have to follow the rates paid in that locality. We do not hold back; we follow those rates. We advise treasury board; the labour department makes the investigation and either confirms our views or makes an adverse report, and then the government decides.

Mr. KNOWLES: And it is likely that this discussion we have had tonight will help keep that investigation active?

Mr. FOURNIER (Hull): My officials will read *Hansard* tomorrow morning and see everything the hon. member has said.

Mr. KNOWLES: I am not backward in speaking pretty plainly to ministers when I think they are not doing what I feel is the right thing, but I feel that the Minister of Public Works has a sympathetic interest in the human factors involved in this situation, and I know it is in good hands.

Item agreed to.

Architectural branch—

281. Ottawa—maintenance and operation of dominion public buildings and grounds, including rents, repairs, furniture, heating, etc., $5,753,382.

Mr. FOURNIER (Hull): Is this the vote under which the hon. member for Peterborough West wanted to know about the buildings in Ottawa?

Mr. FRASER: In connection with the film board. If you do not have it now—

Mr. FOURNIER (Hull): I have the list of the ninety-five buildings we have rented in Ottawa.

Mr. FRASER: If you give it to me at a later date it will be all right.

Mr. FOURNIER (Hull): You want to know what buildings we rent for the use of the film board?

Mr. FRASER: Yes, and the cost of their upkeep; also the buildings you own, which they occupy, and the cost of their upkeep. If the minister could give me that at a later date I would be quite satisfied, because it might hold him up now.

Mr. FOURNIER (Hull): Very well.

Mr. STEWART (Winnipeg North): Under this item provision is made for ninety-five elevator operators. Can the minister tell us if any of these men are on the permanent staff?

Mr. FOURNIER (Hull): We have ninety-six permanent elevator operators and 156 temporaries.

Mr. STEWART (Winnipeg North): According to the details at page 201 of the estimates, there are ninety-five elevator operators. This comes under maintenance and operation of dominion public buildings and grounds. I assume that is in Ottawa?

Mr. FOURNIER (Hull): Yes. According to my notes, there are ninety-six.

Mr. STEWART (Winnipeg North): Probably the minister has operators for Ottawa and outside Ottawa together. I was particularly concerned about elevator operators in this city. I should like to know how many of them are on the permanent staff. If the minister cannot tell us that, perhaps he can say how many years they have to serve before they become permanent.

Mr. FOURNIER (Hull): They are appointed by the civil service commission, as are other civil servants, and they have to stay a year on probation, I believe, before they are made permanent. But at the end of the year, if their services have been satisfactory, they are given permanency. I believe they are all returned men who operate our elevators; at least all I know are returned men.

Mr. STEWART (Winnipeg North): I am not complaining. I just wished to find out how long they must serve before they were placed on the permanent staff.

Mr. FOURNIER (Hull): My understanding is that, according to the Civil Service Act, it is a year. After one year's good service, they are made permanent. However, during the war I believe there was a regulation under which no permanent appointments would be made, until the end of the war, with a view to giving the returned men an equal chance.

Mr. STEWART (Winnipeg North): How many hours do these men work? Are they on an eight-hour day?

Mr. FOURNIER (Hull): Yes, that is what I have been told. They work on eight-hour shifts, but they do not always work the same shifts.

Mr. LOW: Would the minister inquire whether or not, after one year of satisfactory service, these elevator men are given permanent appointments? I believe he will find that some are not.

Mr. FOURNIER (Hull): I have not my officials with me, but in my note I see there are two figures. However, the note does show that there are ninety-six permanent and sixty temporary, making a total of 156 in Ottawa.

Mr. LOW: That is all the more reason the minister should have a careful check made, so as to see that no returned soldier has been on for more than a year without receiving an appointment.

Mr. FOURNIER (Hull): I shall look into that, but I would be most surprised if they did not get permanency. After a year's time, these men know the law quite well as to what they may expect. However, there are still sixty on the temporary staff and ninety-six who are permanent.

Mr. STEWART (Winnipeg North): The minister may be in for a slight surprise. There is one other matter I would draw to his attention. I realize he cannot know about every detail in his department. Nevertheless I would ask that some consideration be given to these elevator operators who receive no relief, or who are not allowed off perhaps for a smoke. Cases have been brought to my attention where, perhaps unintentionally, an elevator operator has been kept at his task for several hours without relief. Would the minister look into this to see that a proper system of relief is instituted, so that when a man wishes to leave someone else may take his place?

Mr. FOURNIER (Hull): I shall look into the matter, although this is the first time I have heard that complaint. I see elevator men during the day in this building, and we are not so strict that we keep them down to a rigid discipline.

Mr. STEWART (Winnipeg North): I realize that, and I am not complaining; but there may have been some cases the minister did not hear about.

Mr. FOURNIER (Hull): We shall look into that.

Mr. FRASER: I can support that statement, because I have heard of similar cases.

However I think in most instances relief has been delayed because of sickness, or for some other such reason.

Mr. FOURNIER (Hull): I shall certainly look into it.

Mr. FRASER: Would not snow removal from the House of Commons grounds be included in this item?

Mr. FOURNIER (Hull): That has been under the federal district commission since 1932.

Mr. KNOWLES: Would the minister make a statement about the condition of the elevators in this building? What is their condition?

Mr. STEWART (Winnipeg North): Decrepit.

Mr. KNOWLES: Once in a while one finds oneself spending an extra ten or fifteen minutes at the bottom of the well.

Mr. FOURNIER (Hull): We have yearly contracts with the Otis-Fensom Elevator Company and the other large company—

An hon. MEMBER: Turnbull.

Mr. FOURNIER (Hull): —to service nearly all our elevators in our buildings. We have yearly contracts under which we pay different amounts for different types of elevators and the companies, in turn, guarantee to keep those elevators in good repair and working order. I have received complaints from elevator men to the effect that sometimes they have difficulties with the elevators. Immediately the foreman among the elevator men calls the company, and men are sent to make repairs.

In certain buildings we have old elevators, and perhaps a change would be all to the good. But while we have them, we try to keep them in as good a state of repair as we can.

Mr. McKAY: Does the minister know that at this very moment the elevator at the back is operating with its doors open?

Mr. FOURNIER (Hull): I noticed that it was stopped for a while today.

Mr. KNOWLES: These elevators get pretty heavy service, for the type they are.

Mr. COCKERAM: I heard the minister refer to returned soldiers, and I should like to think that after one year's service, if they have given good service they would be permanently employed. I should like to have some assurance to that effect.

Mr. FOURNIER (Hull): My impression is that that is what happens.

[Mr. Fraser.]

Mr. COCKERAM: I did not get that impression from what was said before.

Mr. FOURNIER (Hull): The Department of Public Works does not appoint elevator men. We send a request to the civil service commission, and they send a man who is on the eligible list. We take him on and, according to the act, at the end of the year if he has rendered good service he becomes a permanent civil servant. If there were any delay, it would not be the department which would be making the permanent appointment; it would be the civil service commission.

Mr. COCKERAM: In other words, a man may give good service to the minister's department but may not receive the appointment. Any man who has served in the armed forces and who has given good service for a year in the minister's department should receive the appointment.

Mr. FOURNIER (Hull): I agree.

Mr. COCKERAM: Irrespective of the civil service commission.

Mr. FOURNIER (Hull): I agree, if it is done according to regulations. But in every branch of every department we do not find 100 per cent who are permanent. Some leeway is always allowed; before the war it was ten per cent. I agree that any man who is rendering good service to the government should be made a permanent appointee after a year.

Item agreed to.

Architectural branch—

282. Maintenance and operation of dominion public buildings and grounds, other than at Ottawa, including rents, repairs, furniture, heating, etc., $7,122,209.

Mr. STOKES: Recently I received a letter from the secretary of the chamber of commerce of the city of Belleville enclosing copy of a resolution passed by that body asking me to draw to the attention of the government the unsatisfactory condition of public buildings in that city. I was not satisfied with the letter because it was not definite enough, and I took the matter up with the secretary. The reply I received was to the effect that the resolution was directed mainly at the post office building in Belleville; they were criticizing the condition of that building quite severely. I should like to draw the minister's attention to that.

Mr. FOURNIER (Hull): I shall certainly instruct my officials to make inquiries.

Mr. ARCHIBALD: Further on, there is a revote to cover a building at Hazelton, but

under this item which covers the maintenance of buildings outside Ottawa I should like to draw to the minister's attention the conditions under which the government telegraph operators work in Hazelton. There has been no winterization of this building and the telegraph operators have really suffered. There has been a great deal of sickness because the building is not a proper one.

Mr. FOURNIER (Hull): We must have a revote here because we are not quite sure whether we shall proceed this year.

Mr. McKAY: There seems to be quite a substantial increase in this item over 1946-47 which I should like the minister to explain.

Mr. FOURNIER (Hull): The increase totals $982,125. One item of increase is salaries, amounting to $996,504, of which $339,379 is due to the cost of living bonuses being added to the salaries. This leaves a net increase in connection with salaries, of $675,125, of which $285,817 is due to 207 new positions having been authorized by treasury board, and $371,308 is due to increases in the salary range of elevator operators, engineers, firemen, char service, plumbers, electricians and carpenters.

Mr. McKAY: That would apply to the next item also?

Mr. FOURNIER (Hull): Yes.

Mr. STEWART (Winnipeg North): At the bottom of the details on page 204 of the estimates is a large item of $75,000 for sundries. Can the minister give us a break-down of that item?

Mr. FOURNIER (Hull): The details are:

Printing and stationery	$2,500
Travelling expenses	15,000
Disbursements	10,000
Photographic work	12,000
Legal services	5,000
Miscellaneous	15,500
Municipal charges	15,000

Mr. COCKERAM: It seems to me that if we are to have any degree of saving in these items we should be able to break down in more detail an item of $15,000.

Mr. FOURNIER (Hull): I have given about all the break-down that could be reasonably requested. If you were to ask me for a break-down of the $2,000 for travelling expenses I could not give it unless I had in mind the trips the officials are to make during that period. I do not know of any department that could break it down more than that.

Mr. COCKERAM: I was not thinking so much of travelling expenses, which constitute quite a small item. Not only in the minister's department, but all the way through there should be some degree of efficiency and economy which is not apparent in any of the estimates now before the committee.

Item agreed to.

Architectural branch—
Construction, repairs and improvements of public buildings—New Brunswick—
284. Edmundston—Building for customs (revote $48,000), $61,000.
Saint John post office—addition, alterations and improvements (revote $40,300), $50,000.
Sussex public building—addition and fittings (revote, $15,000), $20,000.

Mr. MacNICOL: The first item refers to a building for customs at Edmundston. Is that right at the bridge across the Saint John river?

Mr. FOURNIER (Hull): According to the plan I have here, it is a new customs-immigration building right across the international bridge.

Mr. MacNICOL: Last year I crossed at Edmundston on to the Maine side of the river, and when I came back after having seen the fine buildings on the United States side I was ashamed of what I saw on the Canadian side. I made up my mind to mention this and I am glad to see this vote.

Item agreed to.

Architectural branch—
Construction, repairs and improvements of public buildings—Prince Edward Island—
284. Charlottetown public building (revote), $50,000.

Mr. MacNAUGHT: Has the minister a statement to make on this expenditure.

Mr. FOURNIER (Hull): This is to provide for the construction of a new building for post office, customs and other government services at Charlottetown. The existing building which was constructed in 1884-85 is totally inadequate to meet the requirements. The present building will be assigned to unemployment insurance and the Department of Trade and Commerce. We did not expend any money on this project last year. The plans have not yet been completed, but we expect to have them within a few months and we will ask for tenders.

Item agreed to.

Architectural branch—
Construction, repairs and improvements of public buildings—Quebec—
287. Armstrong — customs and immigration building (revote), $45,000.
Beauport—repairs to armoury (revote), $9,000.
Dominion public buildings—improvements and repairs, $400,000.
Dorval airport—postal accommodation—(revote), $25,000.

Drummondville—public building site (revote, $6,000), $25,000.
Hull public building—addition and alterations (revote), $6,000.
Joliette public building—addition to site ((revote), $15,000.
Lacolle (Blackpool)—building for customs (revote, $45,000), $100,000.
Lac Megantic public building—addition, alterations and improvements (revote), $19,000.
La Tuque public building—alterations and extension (revote, $6,500), $8,000.
Magog public building—alterations and improvements (revote), $10,000.
Montmagny—site for public building (revote), $5,600.
Montreal—building for British and foreign mail (revote), $300,000.
Montreal—customs examining warehouse—repairs (revote), $25,000.
Montreal Hochelaga postal station—addition and improvements (revote $20,000), $25,000.
Montreal immigration building—alterations and improvements (revote, $75,000), $95,000.
Montreal Notre Dame de Grace postal station—addition to site (revote), $11,250.
Montreal old examining warehouse—addition, alterations and improvements (revote), $60,000.
Montreal—office building—(revote), $300,000.
Montreal—postal station "B"—addition (revote), $200,000.
Montreal postal terminal—addition (revote), $250,000.
Montreal postal terminal—parcel storage system (revote), $50,000.
Montreal St. Henri postal station—site (revote, $15,000), $25,000.
Noranda—public building (revote, $41,000), $57,000.
Phillipsburg—building for customs and immigration (revote), $50,000.
Quebec old post office building—improvements (revote), $10,000.
Quebec old post office building—elevators (revote, $45,000), $70,000.
St. Joseph d'Alma public building—addition, retaining wall, fittings, etc. (revote, $19,000), $35,800.
Sherbrooke—public building (revote), $75,000.
Three Rivers public building—addition (revote), $60,000.
Valleyfield public building—addition, alterations and fittings (revote, $30,000), $70,000.

Mr. COCKERAM: There are a number of revotes here and I should like to ask what check has been made of them. After all, you had the estimates of a year ago and you are revoting money today. How close are the revotes coming to the actual expenditures?

Mr. FOURNIER (Hull): In December, 1945, the department prepared estimates for 1946-47 and those estimates were voted in August, 1946. We prepared plans where the staff was available, but in most cases we did not reach the point where we could even ask for tenders, while in some cases where we asked for tenders we did not receive any bids. If the hon. member will look over the list he will find that in ninety-five per cent of the cases the amounts are the same as we voted last year. They are due to lack of staff, lack of materials, lack of man-power and the advice received by my department from other departments as to the situation in the country. This year they expect to make more progress on these revotes.

Mr. COCKERAM: I think the minister is wrong because everybody knows that between last fall and today there has been a distinct increase in prices. I do not see how you can call it a revote when you know that something that was voted last year will cost you more this year. I think the minister should in presenting a revote tell the committee what the increased expenditure will be. If we are revoting an amount I should like to think the job can be done with the money that is being voted today.

Mr. FOURNIER (Hull): Take the first item, for instance, for a customs and immigration building at Armstrong, just to show how it works. This is a revote of $45,000 for the construction of a building for customs and immigration purposes on a government-owned site at Armstrong, Quebec. The proposed building will cost so much. The estimate they give is the same this year as last year. This money has not been spent. We are having plans prepared and we will call for tenders.

Mr. COCKERAM: The minister says this revote is the same as last year. Anybody in business knows that costs have risen since last year, and I think the minister and his officials are wrong in revoting just the same amount of money they asked for last year.

Mr. FOURNIER (Hull): We do not in every instance.

Mr. COCKERAM: Take the case of Armstrong which the minister cited. I know that district, and I know that you could not build a custom house in Armstrong today for the same amount you could a year ago. We know there has been an increase in costs, the minister should give some indication of what the increased cost will be. The minister's officials are wrong when they say they could put up a building for $45,000 in Armstrong last year and this year they can do it for the same amount of money.

Mr. POULIOT: If my hon. friend will permit me, I will appeal to his own experience. Imagine for a moment that he is minister of public works and that last year in the month of August the amount of $45,000 was submitted to my hon. friend as minister of public works to put up this building. Tenders were asked for in the fall, but it was found impossible to go on with the work because of the

lateness of the season. My hon. friend knows how difficult and how expensive it is to build cement foundations when the weather is very cold. Therefore the building was postponed until this year, and I presume that the department will proceed with the amount of this revote. If the cost is higher this year than last the building will not be completed, and in the estimates next year there will be another item to finish the building. My hon. friend knows that very well.

I will now make a suggestion with which he will probably agree. It is that the estimates of the Department of Public Works should come before us in the early part of the session for several reasons, but especially because it is easier to cut lumber in the winter when the sap is not in the tree, and therefore it may be possible to encourage some people in the vicinity to do the work, which would save a lot of transportation costs. I have enjoyed this discussion very much, which is just as friendly as the one that has been going on with my hon. friend. The tone which has been adopted by the Minister of Public Works makes a great difference. I enjoy discussing things with the hon. member for York South. He is sensible enough to understand that it is impossible to proceed otherwise than as the minister has done, and he is not dogmatic.

Mr. COCKERAM: I agree with everything the hon. member for Temiscouata has said. I know there are seasonal difficulties which must be overcome, and I am of the opinion that the officers of the department have tried to do a good job for the money that has been placed at their disposal. At the same time, in spite of the seasonal difficulties, it does seem irresponsible from an accounting point of view that the minister should come back to this house and ask for a revote of the same amount of money if he knows it will not do the job. The minister is just as well aware as I am that it will cost more today than it would have cost a year ago. His officials must realize that the money we voted a year ago is not sufficient to do the job they are expected to do today. Yet this amount is put in the estimates as a revote. It is not a revote, because the building will cost us more money, and the minister should tell us how much more it will cost.

Mr. FOURNIER (Hull): In many instances the items here are the amounts that my officials tell me will be expended during the year. Take the first item for a customs and immigration building at Armstrong. It started off in the fall of 1945 with an estimate of $35,000. When we got to August we asked for another $10,000 in the supplementary estimates. When the main estimates were prepared in December the item was $45,000, which was the figure of last year's vote. We are in June now. These estimates were prepared in November of last year and they left my office in December to be approved by the government and the treasury board before being printed for the January issue. Estimates in detail like this are prepared in September, October, November and December and then have to be approved. So that the hon. member is reading things which were prepared six months ahead of time.

Mr. COCKERAM: They are six months behind. The minister said that last December certain money had been spent. If he will add all that up he will find it is more than the money that was voted a year ago.

Mr. FOURNIER (Hull): We have not even started to spend this money.

Mr. COCKERAM: The minister said that at Armstrong there had been spent—

Mr. FOURNIER (Hull): We did not spend a cent.

Mr. COCKERAM: That is not what the minister said. I may be misinterpreting him and I am willing to admit that; but I think that, having regard to the fact that we are voting certain moneys for certain public projects with which none of us will disagree, unless there is absolute waste, when we voted money a year ago and come back today to revote the same amount it is not sound business practice, and the minister should tell us what the extra cost will be. In his charming way he has tried to tell us that something will happen at Armstrong, but I am positive that what he has said does not add up. Two and two are always four, but the minister made some statements that seemed to suggest that two and two made five.

Mr. FOURNIER (Hull): I do not think the hon. gentleman understood what I said. This is an estimate. My architects say that for the site and supervision of that building in Armstrong, we shall need, according to the plans and specifications which we are preparing, $40,000. We will advertise for tenders—

Mr. COCKERAM: Forty thousand?

Mr. FOURNIER (Hull): The sum of $45,000. We will advertise for tenders and, before I receive them, I shall not know whether they will be below or above this amount of $45,000, nor would the hon. member know.

Mr. COCKERAM: That was a year ago.

Mr. FOURNIER (Hull): A year ago, and today. When I receive the tenders, if the amount is anything like $80,000, then someone in my department will listen to what the minister has to say.

Mr. KNOWLES: It seems to me that the point which the hon. member for South York is raising must have been met by the very nature of the item that is before us, because item 287 includes a good many sub-items. I have been checking up, and I find that thirty sub-items in item 287 are revotes. Of these thirty, fifteen are exactly the same as they were last year; ten have been increased and five decreased. That seems to me to suggest that the items have been reconsidered. It is not a case of merely bringing them back.

Mr. FOURNIER (Hull): They certainly were.

Mr. KNOWLES: In some cases there has been a considerable increase. It seems to me that the point raised by the hon. member has been met.

Mr. FOURNIER (Hull): He would like to have in every instance an increase because of labour and material having gone up in the last year, but I am relying on my architects to give estimates for certain projects.

Mr. KNOWLES: And apparently they have done that.

Mr. FOURNIER (Hull): For this building at Armstrong, when they prepared this estimate in October they said it would cost $45,000. I shall know when the tenders come in whether they are above that sum, but you cannot ask me what will be the difference in these projects. I asked this house for a vote in the last days of August.

Mr. KNOWLES: They have changed fifteen out of thirty.

Mr. FOURNIER (Hull): It is from thirty-five to forty-five.

Mr. COCKERAM: It is crazy.

Mr. FOURNIER (Hull): I do not believe the hon. gentleman means that.

Mr. HACKETT: Can the minister tell me whether the item of $75,000 which is down for a public building for Sherbrooke has to do with the acquisition of a building by the government, or whether it has to do with repairs to a building which is being leased and about which I asked a question the other day?

Mr. FOURNIER (Hull): This $75,000 in the estimates will be employed for the purchase of a site. I believe we have taken expropriation proceedings. If not, they are to be taken in the near future.

Mr. HACKETT: I should like to be certain that this item does not refer to the building which has been leased for a period of five years and which is to be used by the Department of—

Mr. FOURNIER (Hull): Income tax. This is a revote of $75,000 to provide toward the purchase of a site and the erection thereon of a public building to accommodate the following government services at Sherbrooke: Post Office Department, department of health and welfare, labour, marine—transport—

Mr. HACKETT: It is not necessary for the minister to go any farther to satisfy me. It is not the item concerning which I asked a question the other day having to do with the housing of income tax department.

Mr. FOURNIER (Hull): No.

Mr. COCKERAM: I am not satisfied to let this thing go right now. We have a tremendous sum of money, millions of dollars being voted, and I have in my mind as a businessman the necessity for being a little more explicit about these figures. I do not think you can say it is simply a revote from last year, as the hon. member for Winnipeg North Centre said.

Mr. FOURNIER (Hull): The hon. gentleman understands what a revote is.

Mr. COCKERAM: I understand just as well as the minister what a revote is, but it seems to me we are voting money for a specific job and the money is collected from the taxpayers of the country. I know we have to get down and save dollars and cents for the benefit of the people, and it seems to me that if we revote everything we are not trying to economize on their behalf. I think the Canadian people are perfectly willing to pay a fair shot, but when in public works we disregard everything and come out and vote this and that, which we were prepared to do in war time, and then revote it, the minister should be more explicit. I suggest that he should be more explicit about this revoting. If we are revoting money on the old expenditures it should be increased; it should not be the same amount. If we are revoting it on other grounds, then it should be cancelled completely. I repeat, the minister should be more explicit on the question of revoting. When we read these estimates that are being presented today we see revote after revote. What does it mean? It is the same money we voted last

year and are asked to vote now. Unless there is a good reason why it should be revoted, unless the figures are exactly the same, we should not revote the same money.

Mr. POULIOT: I have a word to say to my hon. friend. He will admit that the amounts mentioned in the estimates are approximate.

Mr. COCKERAM: I am not worried about that.

Mr. POULIOT: They are not the price that will be paid. The price will be the amount of the lowest tender. Let me say two things to him. The first is that apparently most of these works were delayed on account of the scarcity of building material, and, in the second place, it does not exist to such a degree this year as last year.

The DEPUTY CHAIRMAN: Shall the item carry?

Mr. COCKERAM: No.

The DEPUTY CHAIRMAN: The hon. gentleman says "no". He is only one. I asked the committee: shall this vote carry?

Some hon. MEMBERS: Carried.

The DEPUTY CHAIRMAN: Carried. Shall I report the resolution?

Item agreed to.

Progress reported.

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

Tuesday, June 24, 1947

The house met at two o'clock.

BANKING AND COMMERCE

Seventh report of standing committee on banking and commerce.—Mr. Cleaver.

POST-UNRRA RELIEF

EUROPEAN COUNTRIES—PROPOSED APPROPRIATION FOR 1947 NEEDS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I wish to make a brief statement on the present problem of post-UNRRA relief, in relation, more particularly to an appropriation for that purpose which the government proposes to recommend to parliament. The Minister of Fisheries (Mr. Bridges) has a statement which he desires to make respecting fisheries. It will include mention of one of the methods suggested by Canada to provide a part of Canada's contribution to post-UNRRA relief. The minister's statement will follow immediately the statement I am now about to make.

As all hon. members are aware, one of the great problems of the post-war period has been the provision of food and other basic essentials of life to the devastated countries of Europe. It will be recalled that the question of post-UNRRA relief was urgently discussed by the united nations general assembly at its last session in New York. Because the programme of UNRRA was coming to an end before the real need of the peoples in war-devastated countries had been fully met, the general assembly recognized that certain countries must receive financial assistance in 1947 to avert hunger, privation and suffering.

Canada had played a leading role in relief operations both during and after the war, and the Canadian government was in strong support of continuing international action to meet genuine relief needs. However, it became clear at the second part of the first session of the general assembly that a new approach to the problem would be necessary. To this end, the Canadian delegation introduced a proposal which was embodied in a resolution adopted by the assembly on December 11, 1946. This resolution established a special technical committee of experts, on which Canada was represented, to study the minimum import requirements of needy countries. The committee thus constituted took into consideration the carry-over of relief goods from UNRRA into 1947 and estimated the probable receipts from exports from each country, together with resources which could be regarded as available from foreign loans and credits, shipping receipts, remittances and other sources of foreign currency. According to the committee's report, European countries which had been receiving relief required $583 million of financial assistance.

Intimately linked with this proposal was the question of providing to specially vulnerable groups, such as children and adolescents, in the war-devastated countries the food, clothing and other essential supplies which they require. To meet this requirement, a concrete united nations plan was agreed upon. The general assembly established by unanimous resolution the international children's emergency fund. The prime purpose of the fund is to provide for children, adolescents and nursing mothers in countries which were victims of aggression, but it will also be used

for child health purposes generally. The fund has presented a tentative budget of $450 million, having as its principal objective one 700-calorie meal a day for twenty million children.

The funds is to be financed by any residual assets made available by UNRRA, by direct contributions from governments and by contributions from voluntary agencies or individuals. The amount of assistance available from UNRRA for this purpose is not likely to be large. Receiving countries might, however, contribute $200 million from their own resources. This would leave a balance of approximately $250 million to be secured from government and from voluntary contributions in other countries.

In the absence of relief on a scale at least approaching the sums recommended by the united nations technical committee, there will be serious hardship and possibly actual starvation in a number of European countries this year, particularly in the period prior to the harvests in Europe this summer and autumn. In May 1947 the United States Congress authorized an appropriation of $350 million for relief purposes, to be dispensed by arrangements made directly with the needy countries and expressly limited to Austria, Greece, Hungary, Italy, Poland, China and the Free Territory of Trieste. This amount includes a sum of $40 million, all or part of which may go to the international children's emergency fund. We have been informed that other states have responded to this emergency by providing funds for relief.

In the light of the need which we believe exists, the action of other countries in that regard, and the availability of surplus food supplies in Canada, the government has decided to recommend to parliament an appropriation of $20 million for post-UNRRA relief needs in 1947. This sum which would be spent subject to such terms and conditions as may be approved by the governor in council, would include a contribution of approximately $5 million to the international children's emergency fund. The remainder of the sum would provide relief to certain specified countries, and would be administered by Canada in consultation with other states which are adopting similar measures.

PURCHASES OF FISH—PROCLAMATION OF FISHERIES PRICES SUPPORT ACT

Hon. H. F. G. BRIDGES (Minister of Fisheries): Mr. Speaker, for some time the government of Canada has been giving careful consideration to the proclamation of the Fisheries Prices Support Act, 1944, and to the type of fish that the act should first apply to. This problem has been closely interwoven with what the government's policy on post-UNRRA relief would be, and also with the trade and tariff negotiations at present going on in Geneva. These negotiations have been and are being closely watched by the Department of Fisheries, the deputy minister of fisheries having been present at Geneva during some of the negotiations on fish.

As the government's policy on post-UNRRA relief has just been announced by the Prime Minister (Mr. Mackenzie King), I am now in a position to make a statement indicating the intention of the Canadian government on the matter of purchases of fish for relief for the 1947-48 production, and on the matter of proclaiming the Fisheries Prices Support Act, 1944.

As part of its contribution to international relief the government feels that it can make available out of Canada's production of fish during the present fiscal year, quantities of canned and salted fish of types suited to relief feeding. The types to be purchased will be dried salted cod, haddock, hake, pollock and cusk, pickled barrelled fish (herring, mackerel and alewives), bloaters, canned herring and canned mackerel and chicken haddie. In the case of salted fish which is produced mainly in eastern Canada, the commercial export markets are reasonably firm, but in frozen fish both the home and export markets are weak. It is the government's hope that the industry will divert as much raw codfish as possible to salting rather than to freezing. The government will be prepared to buy, at prices to be determined, up to 10,000,000 pounds of dried salted cod and related species, up to 40,000 barrels of pickled fish, up to 50,000 boxes of bloaters, up to 900,000 cases of west coast canned herring, and up to 100,000 cases of eastern canned fish, the latter being in addition to the current purchases being made in the east by UNRRA. It is hoped that quantities of cod and related species of fish can also be diverted from the frozen outlet into the canned form.

The details of the methods of purchase, of prices and other terms of contract cannot be announced until after discussion with the industry, and members of the industry are being invited to Ottawa to discuss this and related matters next week. The purchases however will likely be handled by the Canadian Commercial Corporation. The prices to be paid for this fish by the government will not necessarily be at the levels at which UNRRA has purchased in the past season. Many raw fish prices have declined recently, and the increased volume of activity which

these government purchases will provide to fishermen and operators should contribute to a lowering of costs. The government will, however, in establishing the prices give due attention to the raw fish prices being paid to fishermen. As I mentioned earlier, these operations are confined to the 1947-48 season, that is to the current fiscal year, and the government in no way commits itself to a continuation of relief purchases next fiscal year.

Of the $20 million just announced by the Prime Minister to be made available for post-UNRRA relief, up to $8,000,000 will be made available for fish purchases. This amount, it should be noted, will be confined to purchases of fish of the salted and canned varieties. For some time, however, the government has been endeavouring to find additional outlets for frozen fish in European markets, either through commercial channels or through relief purchases. Despite this attention no substantial market for frozen fish has been found in Europe. Exchange difficulties in some countries, lack of merchandising facilities for handling frozen fish in others, and expansion of Europe's own fish production have all militated against frozen fish exports. In the United States, the only remaining substantial export market, competition from expanded United States production and from the products of Newfoundland and Iceland have contributed to a lowering of prices, and have slowed down the rate of Canadian sales of frozen fish. In the circumstances the government believes that the solution to the frozen fish problem depends on increasing the consumption of frozen fillets in the domestic market. To effect such an expansion of our home market has its difficulties, but is a solution, as many hon. members pointed out in the recent debate on the fisheries research board bill, which would have a lasting benefit to the industry, and which should be physically possible since Canadians consume only some 10,000,000 pounds of frozen fillets annually, or something like three-quarters of a pound per head. To take care of the frozen branch of the industry the government is prepared to proclaim immediately the Fisheries Prices Support Act 1944. Under that act a board will be established with five members and with advisory committees from the industry—both management and fishermen.

The act gives the board powers to buy and sell fish and to prescribe prices. The board will be established without delay. It will confine its operations during the present fiscal year to fish produced during the remainder of the 1947 season. It will be asked to prepare in collaboration with industry a general distributional programme, including advertising, designed to increase domestic sales of fish of all species and kinds, and particularly packaged fish, and in particular to consider the specific species of the east, prairies and British Columbia in which the prices received by fishermen from the freezers are unduly low in 1947, and to devise means of maintaining these prices at or near their current levels. This programme of support will be related to the domestic market only. The government wishes it to be clearly understood that it is not prepared to support or subsidize the export trade in frozen fillets. The attention of the board, as I have just stated, is to be devoted mainly to the expansion of the domestic market. This expansion will be aligned to a new government programme of improving the quality, the grading of packaged fish, and the standards of inspection will be set up accordingly.

The prices support programme therefore for 1947 is aimed at expanding domestic consumption by improving quality and by giving close attention to the distribution costs of the industry which hitherto have tended to hold retail prices at levels that limited consumption. The programme of the board will be confined to the remainder of 1947 production. So far as fishermen are concerned, their current prices should be well maintained during the season, first by relief purchases of salted and canned fish, and second by the operations of the support board in maintaining fishermen's prices and in making additional sales of frozen fish on the domestic market.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, I am sure the Canadian people will welcome the announcement of the Prime Minister with respect to the provision of $20 million for the post-UNRRA relief fund, and particularly the provision of $5 million out of that amount for the children's emergency fund. I believe I should take this opportunity to compliment the Minister of Fisheries upon the timeliness of his announcement.

Mr. ROSS (Souris): Good old Halifax!

Mr. GRAYDON: It took a by-election to do it.

Mr. BRACKEN: I am sure he had nothing like that in mind when he made the announcement.

An hon. MEMBER: A dirty insinuation!

Mr. BRACKEN: It is very appropriate that the Fisheries Prices Support Act should be proclaimed at this time, and I am sure the

fishermen of the maritimes will welcome the announcement that $8,000,000 will be spent in the purchase of fish for relief purposes in Europe.

Mr. GRAYDON: And relief here.

Mr. MACKENZIE: British Columbia also.

Mr. BRACKEN: This raises another question which I brought up the other day and which has not been answered, namely, the government policy with respect to apples. The minister of agriculture of Nova Scotia according to press reports has intimated that the British government will not be in the market for apples this year, and there are grave doubts whether a market will be found for our apples. Two or three days ago I asked the Minister of Trade and Commerce (Mr. MacKinnon) to make a statement on this matter, and he said he would consult the other ministers and then one of them would make a statement. I suggest that this would be an appropriate time for some minister to make a statement of policy with respect to markets for Canadian apples.

Mr. BRIDGES: In fairness to the statement which I have just made, I would direct the attention of the leader of the opposition to the fact that of the $8,000,000 to be spent for relief purposes, the larger proportion will be spent in British Columbia.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I was hoping that a matter of this kind would be looked upon by all members of the house as something we were doing for humanity, and that our own marketing difficulties would be only incidental to the decision of the government. I am pleased to know that something is to be done for the relief of the people of Europe.

I think the Canadian delegation to the second part of the assembly of the united nations which met last year played a most important part in the effort to set up an international organization. That an intergovernmental committee of experts was established was due to the fact that Mr. La Guardia told the spokesman for the Canadian delegation, who happened to be the Minister of National Health and Welfare, that he would be ready to accept any scheme that Canada suggested. I think we could do a lot more out of our resources, but I am glad indeed to say something in appreciation of the announcement that has just been made.

Mr. SOLON E. LOW (Peace River): Mr. Speaker, I think all of us are pleased to hear that the government is determined to do something with respect to furnishing post-UNRRA relief to needy Europe. The announcement seems to be timely in that only yesterday one of the New York papers reported that persons in the United States are receiving thousands of parcels from Greece. Apparently the people there have been made to understand that the people of the United States are starving under the capitalist system. It seems to me that we should assist in gathering up those thousands of parcels and sending them back in order that the people in Greece may know that a capitalist society can more than match anything that is done or is being done by a communist society.

Mr. GRAYDON: May I ask one supplementary question of the Minister of Fisheries? In view of his last statement, can the house be given some assurance that the fishermen of Halifax riding will not be entirely overlooked in these purchases?

Mr. BRIDGES: The fishermen of Nova Scotia and Halifax have shown good judgment in the past, and I am sure they will show good judgment in the future.

Mr. POULIOT: I will gladly support this measure provided that it is made certain that needy children will get the food.

Mr. QUELCH: Following up what the Prime Minister has told the house, may I ask if consideration is being given to the implementation of the Hyde Park agreement?

Mr. MACKENZIE KING: My hon. friend has asked a question which I think might best be replied to by my colleague the Secretary of State for External Affairs (Mr. St. Laurent). May I say to him that all international questions of the kind he has referred to and which relate to present conditions are receiving consideration.

[*Later:*]

On the orders of the day:

Mr. WILLIAM BRYCE (Selkirk): I should like to ask a question of the Minister of Fisheries, following the statement he has just made. Has he taken into consideration the fisheries in the prairie provinces, such as those on lake Winnipeg? Are they to participate in this arrangement?

Mr. BRIDGES: I am sure that if the hon. member will read my statement which I made this afternoon he will see that we have taken into consideration the fishermen of the prairie provinces.

[*Later:*]

QUESTION OF SHIPMENT OF APPLES TO BRITAIN—POSITION OF TREE FRUITS INDUSTRY

On the orders of the day:

Mr. H. W. HERRIDGE (Kootenay West): Mr. Speaker, in view of the statement made by the Prime Minister and by the Minister of Fisheries, and of the stated inability of the British government to purchase Canadian apples because of a shortage of dollars, and of the situation facing the tree fruits industry, I should like to ask a question based upon letters and telegrams I have received from the Associated Growers of British Columbia. Will the government consider making arrangements for the shipment of apples to Great Britain this year similar to those that are being made with regard to the shipment of food as mentioned this afternoon?

Right Hon. W. L. MACKENZIE KING (Prime Minister): May I say in reply that the government will consider the question that has been raised. I cannot at the moment go any farther than that.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 341, for the relief of Eileen Francis Murphy Kerson.—Mr. Maybank.

Bill No. 342, for the relief of Joyce Kathleen Reynolds Swards.—Mr. Maybank.

Bill No. 343, for the relief of Anne Fishman Minsk.—Mr. Maybank.

Bill No. 344, for the relief of Muriel Alice Goddard Perkins.—Mr. Maybank.

Bill No. 345, for the relief of Irene Elizabeth Burke Robinson.—Mr. Maybank.

Bill No. 346, for the relief of Gardner Hinkley Prescott.—Mr. Maybank.

Bill No. 347, for the relief of Joseph Amedee Alexis Cousineau.—Mr. Maybank.

Bill No. 348, for the relief of Mildred Verna Ruth Schnaufer Case.—Mr. Maybank.

Bill No. 349, for the relief of Robert Ralph Tripp.—Mr. Maybank.

Bill No. 350, for the relief of Charles James Langevin.—Mr. Maybank.

Bill No. 351, for the relief of Edward Frank Fulton.—Mr. Maybank.

Bill No. 352, for the relief of Pauline Bertha Marwick Dallison.—Mr. Maybank.

Bill No. 353, for the relief of Evelyn May McNaught Grandison.—Mr. Maybank.

Bill No. 354, for the relief of Margaret Turner Shaw Ward.—Mr. Maybank.

Bill No. 355, for the relief of Olivier Pierre Bernard Lagueux.—Mr. Maybank.

Bill No. 356, for the relief of Hazel Mair Grant Rubin.—Mr. Maybank.

Bill No. 357, for the relief of Doris Louise Dickson McMurray.—Mr. Maybank.

Bill No. 358, for the relief of Ethel Florence Barr Shiells.—Mr. Maybank.

Bill No. 359, for the relief of Gabrielle Augustine Gilberte Desmarais Creelman.—Mr. Maybank.

Bill No. 360, for the relief of Christos C. Koukouvelis.—Mr. Maybank.

Bill No. 361, for the relief of Aime Bibeau.—Mr. Maybank.

COST OF LIVING

HOUSEWIVES LEAGUE—INTERVIEW OF DELEGATION WITH MINISTER OF FINANCE

On the orders of the day:

Mr. T. J. BENTLEY (Swift Current): I should like to direct a question to the Minister of Finance arising from the attendance of a delegation from the housewives league. Will the minister reconsider his decision to grant this delegation only one-half of his time tomorrow morning?

Hon. DOUGLAS ABBOTT (Minister of Finance): I will give the delegation as much time as I possibly can tomorrow morning consistent with my other obligations.

DOMINION DAY

SITTING OF THE HOUSE—MEAT RATIONING RESTRICTIONS

On the orders of the day:

Mr. C. E. STEPHENSON (Durham): Will the Prime Minister indicate what arrangements have been made with reference to the house sitting or not sitting on dominion day, July 1?

Right Hon. W. L. MACKENZIE KING (Prime Minister): As hon. members are aware, the leaders of the different parties opposite and myself met together a week or two ago to arrange a programme which would expedite the business of the session. We have been carrying on under that arrangement. As I recall, there was nothing said specifically at that conference with regard to July 1. Having regard to the remarkable progress that has been made since that arrangement was made, the government is of the view that it would be wise for us to continue sitting regularly throughout next week. If we were to adjourn over Tuesday, which is July 1, we would be breaking into the arrangement for the week. May I say that I think the Canadian people will feel, as the government does, that there is no way

in which we can better show the pride we have in our country and the concern we have for its affairs than to dispatch its business with the greatest solicitude possible.

Mr. STEPHENSON: It is a poor example to set for the children of Canada.

Mr. MACKENZIE KING: Does my hon. friend speak of the children of Canada?

Mr. STEPHENSON: July 1st is Canada's birthday, and this is its birthplace. I said that it was a poor example to set for this country not to observe its anniversary. The government should set a good example by observing this national holiday.

Mr. MACKENZIE KING: I take strong exception to the suggestion that the representatives of the people are not observing the national holiday when we are doing our best to expedite the country's business.

Mr. CRUICKSHANK: I would ask the appropriate minister if while we are saving time on the first of July the people of Fraser valley and Chilliwack will be allowed to have meat on that day?

Mr. ABBOTT: I am sure that the people of Chilliwack and Fraser valley will be allowed to enjoy a nice hot dog on the first of July.

Mr. FRASER: Following up that statement of the Minister of Finance, the order in council gives permission only to fairs and circuses to sell hot dogs on Tuesdays and Fridays. Is there any chance of that being extended to the ordinary taxpayer who runs a refreshment stand?

Mr. SPEAKER: Order. I think it is my duty to remind hon. members that only urgent questions should be put on the orders of the day.

UNITED NATIONS

POWERS OF GOVERNOR IN COUNCIL WITH RESPECT TO ARTICLE 41

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs) moved the third reading of Bill No. 132, respecting article 41 of the charter of the united nations.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I have not a copy of this bill. It is not in the distribution office or in the office of the clerk of the committee. I object to the way business is being done in the dying days of the session. When the business was announced on Monday night no reference was made to this bill, and I object to this bill being brought on at this time. The bill has not been printed in French.

Here we are considering something that will land Canada clean outside of the empire. Reference is made to the security council. In my opinion it is all council and no security whatever. We tried that in the old league of nations and you know what happened. Now it is proposed on the ninety-seventh day of this session to turn over to the executive the functions and powers of this parliament to make treaties binding on this country and sign a lot of covenants anew. Why should we transfer to the executive these powers during the recess of parliament.

The minister referred this bill to the external affairs committee, and the committee met and whitewashed the whole thing. What countries have adopted article 41 of the united nations charter? The minister said that the foundations of the council have been soundly laid. It was mostly sound. They have not been laid at all. If this is the kind of security we are to have, it is no better than a second league of nations and we will get the same results.

I have never seen a copy of this bill. I have sent down to the distribution office three times for it.

Mr. SPEAKER: Order. I think I should point out to the hon. member that the bill has been printed in French and English. I would ask the hon. member to confine his remarks to the principle of the bill.

Mr. GRAYDON: Copies of the bill are not available now.

Mr. ST. LAURENT: It was distributed two months ago and a copy placed on each member's file.

Mr. GRAYDON: I have a copy of it, but the hon. member for Broadview (Mr. Church) has not, and a copy cannot be obtained now.

Mr. CHURCH: We tried depending on charters and peace pacts and notes in the old league of nations, but if you adopt the principle of charters you are inviting a third world war. The minister mentioned India as having adopted the charter. The government of India is only in the making. Britain gave India peace and justice and security for over a hundred years, what is going on there now? We have started the greatest civil war in history. The members of the British empire are our best friends, and unless we hang together we shall hang separately. None of them can go it alone.

The minister is a learned man, and he represented Canada faithfully and well at the united nations meeting. But the charter is a flat failure. Here we are at the ninety-seventh

day of the session and not one hour has been devoted to the discussion of foreign affairs. I see my good friend the leader of the house is here today. I hope he will not allow a thing like this to go through. How many members have seen the bill? I have not seen it. I spent an hour trying to get a copy but I could not get one.

I am dealing with the charter of the UNO, March 1, 1947, the white paper I hold in my hand. How many hon. members have read it? How many hon. members know anything about it? I can tell the house that Australia will not sign article 41; they know something about it. There has been a lot of criticism of it. The UNO is a tower of Babel and a failure. The people are alarmed. We are transferring our powers and functions to make these treaties to our representatives, to the executive, the cabinet. I object to that principle. That is what led us into the first world war, and if we stick to this it will lead us into another war. The members of the empire are our best friends and dearest relations. They have always been our close friends. Instead of trying to keep the empire together we are disrupting it; we are allowing the UNO and the United States to scrap it. We are back to the old days of Geneva and security, and we all know what happened before. We all know what is going to happen because we are drifting into similar practices. The most notable effort made was made by the only real league of nations, the British empire. How does it come about that we are prepared to deal with every country of the seven seas but are not prepared to deal with the countries in our own empire? These are the people who stood by us in the past and will stand by us in the future.

The United States is a great country, and I am an admirer of it. They have representatives on the security council and you cannot blame them for that. As a writer in a great British paper said:

> The most notable effort of the council so far, in my opinion is to divide the various parts of the empire one from the other. Ever since the United States of America left that great imperial group known as the British empire, because the British made it, the United States people have wanted to become a world power something like the one which they left. They want a new place in the sun.

They want a new imperialism. You cannot blame them for that. I do not blame them for it. We should be prepared to stand up for our country. We are going into a fools' paradise such as we had before, a second league, and making the same mistakes as the Geneva of old.

The United States have delegates there, and they talk about America first, last and all the time. The British delegates do not do that. Under the circumstances I think it is only proper that we should stick to the empire that we have had so long because they are the countries that have supported us. I would not call the government of India a government, and if we were told the truth we would all be of the same opinion. I tried to move the adjournment of the house to discuss these matters. This is the ninety-seventh day of the session and we have not had fifteen minutes devoted to this thing, the liquidation of the British empire. What are the conditions in India today? It is one of the countries that requested us to sign this agreement, to make a treaty out of it, to give the minister and the executive power over the head of parliament to bring us to the very verge of war. For 180 years India has been a great country and a great land. Under British rule India has had peace, security, liberty and justice for over 150 years. They have not much order there now. What would hon. members think of India if they could get a return giving actual information on the situation there today where there is civil war? Instead of tens of thousands there are hundreds of thousands being massacred in that land. We are proposing to give that country and its trade over to United States interests and to Russia. It will not be done with my vote. The outlook for the empire is too dark at present for me.

I wish to protest against this way of doing business. The Indian situation is a tragedy. The minister says that India has consented to this agreement. I would not call the government of that country a government. There are fifty million people there called untouchables who will be led like lambs to the slaughter. We do not know anything about it at all. It is a serious tragedy. It is going to lead India to the greatest civil war in all history. Compared with what is going on in the Balkans it will be trivial.

Mr. SPEAKER: Order. I would ask for the cooperation of the hon. member. Under this bill we are not discussing the question of India or of the British empire. The purpose of the bill is to empower the government to enable Canada to carry out article 41 of the charter of the united nations. I will ask the hon. member to confine his remarks to the principle of the bill.

Mr. CHURCH: Mr. Speaker, have you read article 41 of this big white book?

Mr. SPEAKER: It is my duty to call the attention of the hon. member to the fact that

he is not confining his remarks to the principle of the bill, since he has not seen the bill.

Mr. CHURCH: I am quite in order and I have not finished my remarks. India has agreed to article 41; the minister said so. The right hon. leader of the house may laugh, and all of that kind of thing, but I am sure that public opinion is not satisfied with the way in which we are doing business in this country, passing things over our heads and giving to the minister and the executive the power to make treaties. We have not discussed the liquidation of the British empire, because that is what it is.

In conclusion I wish to say, as has been said before, that I do not look upon this as responsible government. The government of India has not been properly elected; it has not been elected at all. Australia refused to sign this article. Britain has signed. Of course they are willing to sign. For many years past hon. members know what the record is under the present administration—internationalism, and scuttle the empire. Canada is asked to sign. If I get a seconder I shall move the six months' hoist. I shall move that this bill be not read a third time now but that it be read a third time six months hence. I am not going to be one of those who will give to the executive the power to make treaties during the six months that the house is in recess, because I know what they will do. I believe I have a seconder. If I have, that is all I wish to say about it. I do protest against this way of doing business. They are taking every opportunity to change the whole system of doing business with these treaties. We used to have two days set aside for a discussion of foreign affairs. I protest against this. If the hon. member for Davenport (Mr. MacNicol) will second my motion I will get the recorded vote on this matter, because I protest against such vast powers being taken away from parliament and put into the hands of the executive.

I wish to repeat that I could not get a copy of the bill. The bill has been passed over my head as a member of the house. I tried for over an hour and a half to get a copy. It was brought up last night when I was not in the house. I would have been here had I expected that it would be reached.

The committee on external affairs should never have been appointed. It has prevented the house from dealing with this matter. What have they done? They have forgotten all about matters raised here and have gone into extraneous matters of peace and security. These trips are wonderful things. They used to have them in the old league of nations. In fact it was suggested that I should be sent over there. They said that if I went over there they would go home and pray. I never went over there and never had anything to do with it. Wait until you see what will happen in India; wait until you see the civil war that will take place there. I am one member who is opposed to signing this or passing article 41. I have no faith in UNO or in anything it does.

Mr. J. H. BLACKMORE (Lethbridge): There was so much disturbance in the chamber I was unable to tell what the hon. member for Broadview (Mr. Church) said. I gathered that he was asking for a seconder to his motion for a six months' hoist. If that is so, I will second such a motion. I was going to move, seconded by the hon. member for Acadia (Mr. Quelch), that this bill be not now read a third time but that it be read a third time this day six months hence. I am not sure whether I have seconded the motion of the hon. member for Broadview; if not, I shall make the motion myself. In fact he and I feel the same way about the bill.

Mr. SPEAKER: Mr. Blackmore moves, seconded by Mr. Church, that the bill be not now read a third time—

An hon. MEMBER: It is the other way round.

Mr. BLACKMORE: Mr. Speaker—

Mr. SPEAKER: Mr. Church moves—

Mr. BLACKMORE: Mr. Speaker—

Mr. SPEAKER: Mr. Church moves, seconded by Mr. Blackmore—

Mr. BLACKMORE: Mr. Speaker—

Mr. SPEAKER:—that Bill No. 132 be not now read a third time but six months hence. Is it the pleasure of the house to adopt the motion? All those in favor of the motion will please say yea.

Some hon. MEMBERS: Yea.

Mr. BLACKMORE: Mr. Speaker—

Mr. SPEAKER: All those against the motion will please say nay.

Some hon. MEMBERS: Nay.

Mr. SPEAKER: In my opinion the nays have it.

Mr. BLACKMORE: Mr. Speaker, I desire to speak in support of the motion. I started to. How can a person speak when he cannot be recognized by the chair?

Mr. SPEAKER: I must declare the amendment defeated. The question is now on the main motion.

Mr. BLACKMORE: I rose to speak in support of the motion, Mr. Speaker. I am in favour of giving this bill the six months' hoist, because in my judgment it is a bad bill.

Mr. SPEAKER: Order. The hon. member cannot discuss the six months' hoist at this stage. The motion was put and carried.

Mr. BLACKMORE: When a motion is made and seconded, members have the right to discuss it before it is put by the Chair. I rose to discuss the motion before Your Honour put it, but Your Honour proceeded to put the motion in spite of my being on my feet.

Mr. SPEAKER: I put to the house the amendment moved by Mr. Church and seconded by Mr. Blackmore, that the bill be not now read a third time but six months hence. I put the question and as I did not see five members rise to demand a registered vote I declared that the nays had it and that the amendment was lost. The question before the house is therefore the third reading of the bill.

Mr. LOW: On a point of order, Mr. Speaker, when the hon. member for Lethbridge rose to second the motion proposed by the hon. member for Broadview he was on his feet prepared to speak and he asked Your Honour for the floor. Your Honour did not see him, though he called several times, drawing your attention to the fact that he wished to speak. I claim that the hon. member for Lethbridge has a perfect right to speak in support of the amendment moved by the hon. member for Broadview.

Mr. SPEAKER: I have put the motion. I read the amendment and it was up to the hon. member, if he wished to speak, to rise.

Mr. LOW: He did rise.

Mr. SPEAKER: I asked for the yeas and nays, and in my opinion the nays were in the majority and I declared the motion of the hon. member for Broadview lost. I would ask the hon. member now to proceed on the third reading of the bill.

Mr. LOW: In the circumstances, Mr. Speaker, I must appeal to the house against your ruling on the ground that the motion has not been legally put.

Mr. SPEAKER: I did not give a ruling; it was just the ordinary procedure of the house, and the hon. member knows it.

Mr. LOW: I do not know it.

Mr. SPEAKER: When a motion is proposed by an hon. member the Speaker has only one thing to do and that is to put it to the house. It is then for the house to decide whether it is in favour of or opposed to the motion. I did that and I declared the motion lost after calling for the yeas and nays. I did not make any ruling and I see no reason for the hon. member to appeal the ruling of the Speaker.

Mr. LOW: May I ask Your Honour a question? Is it the right of any member to speak in support of a motion or an amendment?

An hon. MEMBER: When it is time.

Mr. LOW: Yes, when it is time, prior to Your Honour's asking the house to vote. That is the issue.

Mr. MACKENZIE: Mr. Speaker, may I say a word for the purpose of pouring oil on the troubled waters? My recollection is that the hon. member for Broadview moved the six months' hoist, but the member for Lethbridge could not have heard the motion clearly because he himself moved the six months' hoist subsequently, and he sat down. He had been speaking to his own motion, and under the strict rules of the house he forfeited his right to speak after taking his seat. I suggest it would be conducive to progress if Your Honour, who is quite correct, would allow the hon. member for Lethbridge to proceed.

Mr. LOW: Hear, hear.

Mr. FAIR: You are a good speaker, Mr. House Leader.

Mr. SPEAKER: Is it the pleasure of the house that the hon. gentleman shall have leave to speak to the amendment?

Some hon. MEMBERS: Yes.

Mr. BLACKMORE: Mr. Speaker, I am opposed to this bill because in my judgment it is a bad bill and one which this house should reject. I believe as the days go by it will become more and more evident to the members of the house that they should not pass this bill. May I give some indication of the reasons I have for taking the stand I have indicated.

In the first place this bill binds Canada still more closely to the united nations organization. A great many people assume that there is nothing else for Canada to do than to follow along the line of accepting the united nations organization. My contention is that we made a grave blunder in this house when we accepted it in the beginning, and for us to go forward adding more strands, we will say, to the bonds which attach us to the united nations organization, when it is becoming more and more evident that we made a mistake in the beginning, is in my judgment simply sending good money after bad.

May I give the reasons for the stand I am taking? This bill, if put into effect, will place the average Canadian citizen in constant danger and dread of the most hideous autocracy the mind of man has ever conceived, namely, the united nations organization and its all-powerful executive arm, the security council. When in 1946 Canada accepted the united nations organization and the united nations charter, Canada became a signatory to what was in effect a blanket mortgage on a basis of goods and chattels. The Bretton Woods agreement and the united nations organization charter were simply gold bricks as well as booby traps. The members who went from Canada to represent this country at the Bretton Woods conference and the San Francisco conference fell far short of what in my judgment Canada had a right to expect of them. Parliament has already taken several footsteps into the morass, the bog, the quagmire of international entanglements involved in the united nations organization. Surely we can sense the danger which threatens us. Let us refuse to accept this bill just now. Let us cautiously withdraw to solid ground, at least ground less treacherous than that upon which we now stand. Let us there circumspectly review the situation confronting us as Canadians. Let us reexamine every aspect, and let us reconsider our course of procedure. Every move we make now is fateful. Let us exercise extraordinary discretion.

The first major reason for extraordinary discretion at the present time is the complete bewilderment which everywhere prevails, even among those who consider themselves well-informed, as regards the united nations organization. There is an utterly disheartening vagueness of phraseology used in the wording of the charter of the united nations. As an example of that may I read a passage which the Secretary of State for External Affairs (Mr. St. Laurent) indulgently read into *Hansard* for my benefit the other day, in response to a request from me, many hon. members acting as though they thought I didn't know this passage was in the charter. For a long time I have known this passage was there. May I read it now:

> Purposes and Principles
>
> 1. To maintain international peace and security, and to that end: to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which might lead to a breach of the peace.

I had intended to read all four of these purposes, but I believe No. 1 will be sufficient for my purpose. May I draw the attention of hon. members, and of those in the country who may read *Hansard,* to that clause and especially to the portion beginning, "to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace." That passage sounds very beautiful, but that passage is a genuine booby trap which I can tell you has caught more people than you would have believed possible. It looks so different from what it is. It is made up of weasel words. Now may I go into some detail to show that, and if all goes well I will do so before I take my seat. Just to indicate how hopeless is the uncertainty and vagueness concerning practically every matter pertaining to the wording of the united nations charter, I need only refer to the proceedings of the standing committee on external affairs which dealt with this very bill. In the minutes of proceedings and evidence No. 10, of Tuesday, June 10, 1947, I draw attention to a passage commencing on page 282. The hon. member for Peace River (Mr. Low) asks the question:

> Oh yes, I am not now thinking of that point at all, Mr. Chairman. I am trying to follow another line which is so vague that it means this whole charter needs considerable discussion and exposition in order to get anything like a picture of what would happen.
>
> If you refer to article 39 of chapter 7, you have a statement that the security council shall determine the existence of any threat to the peace, breach of the peace or act of aggression and shall make recommendations, decide what measures shall be taken in accordance with articles 41 and 42 to maintain or restore international peace and security. I am puzzled a bit about the precise meaning of that term, "any threat to the peace." The security council has the responsibility of deciding what constitutes a threat to the peace. What might that involve?
>
> Mr. Knowles: There have been months of argument over that.

The witness was Mr. Hopkins, legal adviser to the external affairs department, a man who I would imagine would know as much about this whole question as any person in Canada. He said:

> The Witness: That might involve the security council deciding that there was a threat to the peace.

I do not know how anyone could possibly conceive of a vaguer situation than that. Here is the member for Winnipeg North Centre, who has been favoured through being present at many discussions at which the united nations organization was up for debate, and he says there have been many months of

argument over the simple point of what is a threat to the peace. You would think there would not be any doubt about that matter. Surely anybody should be able to tell what is a threat to the peace; but there have been months of argument over that. And the witness finally says that might involve the security council deciding that there was a threat to the peace. I submit, Mr. Speaker, that as long as there is such uncertainty in the minds of the men who should be best informed concerning this covenant, we ought to be very careful how we proceed to entangle ourselves further in the whole situation.

May I turn now to another passage which occurs on page 282 of the same proceedings. The member for Peace River is again asking a question:

You see how that is relative to the bill we are discussing. "Any threat to the peace"; I should like to get, if I can, some clearly comprehensive statement on what they would consider a threat to the peace.

Mr. Marquis: I understand, Mr. Low, your point is this: the members of the security council may decide that something is a threat to the peace when it is only an internal dispute. That might be so, but I think we are bound to accept the jurisdiction of the security council on that point. Perhaps they may abuse it.

Well, I ask any hard-headed member of this house—and the house consists of nothing but hard-headed members—whether he would sign a contract the terms of which were so vague. Yet you are signing a contract for your country, for your children and your children's children, when you accept this bill further agreeing to the united nations organization. Then to go on with what was said:

Mr. Coldwell: Is that right? Take civil war, for example; it is specifically excluded from the jurisdiction of the security council unless that civil war has a bearing on the international situation.

Mr. Marquis: Yes, but that is the point. It is up to them to decide whether it has a bearing or not.

Ordinary Canadians like us could not tell.

Mr. Coldwell: Of course the decision is one for the security council.

What sort of supermen are these on the security council? How in the world could they think they could tell what was a threat to the peace when the ordinary man on the street in Canada could not? We had no difficulty in determining, when Hitler was on the move or when Mussolini was on the move, whether there was a threat to the peace. Are Canadians supposed to have lost their ability to reason on these matters, that we have to turn such things over to the security council?

Now I turn to page 283 for another very enlightening passage in this respect:

Mr. Knowles: There is no standard, in answer to Mr. Low, set down as to what would be a threat to the peace or an act of aggression; that would be a matter for the security council.

Dear, dear!

The Witness: It is for the security council—I cannot decide it.

That is perhaps the best informed man in Canada, and he does not know.

Mr. Coldwell: Does not the paragraph you read from what the minister for external affairs for Canada said at New York pretty well explain to Mr. Low what all of us feel about the matter, that it is vague and it had to be vague because the nations which set up the charter sharply disagreed on many particulars and consequently there are compromises throughout this whole thing?

That pretty well supports my stand, does it not?

The Witness: Yes, it had to be vague at the commencement. It is hoped that a sort of jurisprudence will grow up around it as it has grown up around the British North America Act.

To my mind there is so much vagueness about that whole situation that it fills me with dread, especially when I consider the great number of possibilities which I shall draw to the attention of the house, if all goes well, before I finish. Now may I turn to page 281 of the same proceedings for the last illustration I propose to draw from that document. There the hon. member for Peace River read to the committee clause 7 of article 2 of the charter, which I believe it would be well for me to read into *Hansard* so those who may be reading *Hansard* without having the clauses of this document before them will know just what was under discussion. Clause 7 of article 2 of the charter of the united nations reads as follows:

Nothing contained in the present charter shall authorize the united nations to intervene in matters which are essentially within the domestic jurisdiction of any state or shall require the members to submit such matters to settlement under the present charter; but this principle shall not prejudice the application of enforcement measures under chapter VII.

I am not going to read chapter VII; but I would say that anyone who would read it, as I have—and I am sure all hon. members have done so—would see that there must be—

Mr. SPEAKER: Order.

Mr. MACKENZIE: I submit, with deference, that the hon. member is not discussing the bill. The bill is not one which has for its purpose the approval of the charter of the united nations, because as a nation we have already signed it.

Mr. KNOWLES: It was approved by parliament.

Mr. MACKENZIE: Yes; and it comes before parliament at the present time only so that we may authorize the approval of certain necessary orders and regulations. I submit the discussion is not in order.

Mr. BLACKMORE: I draw the attention of the minister, who has interrupted me, to the fact that this is called the United Nations Act. I draw his attention to that fact. Consequently anything pertaining to the united nations ought to be in order when discussing the bill. I ask the minister this straightforward question: will Canada be more thoroughly committed that she is now to the united nations charter after she accepts this bill, or will she not?

Mr. SPEAKER: Order. I have called the hon. member's attention from time to time to the same point of order as that now raised by the leader of the house. I sincerely believe the hon. member who has the floor is out of order and should confine his remarks to the bill. As I have already pointed out, the bill before the house is not one which involves a discussion of the united nations organization or its charter. We have already had that discussion. The discussion is not even for approval of the articles setting up that organization. The purpose of the bill is to give powers to the governor in council to carry out article 41 of the charter of the united nations signed at San Francisco. Therefore I would ask the hon. member and all other hon. members not to discuss matters which are not related to the bill before the house. I would ask the hon. member who is now speaking to confine his remarks to the bill. There is an amendment before the house, and he may direct his remarks to that amendment, as a result of which the house will be called upon to decide whether the bill be read now or six months hence.

Mr. BLACKMORE: Mr. Speaker, every word I have uttered thus far has been in support of the general thesis that we ought to have a six months' hoist in respect of the bill, and the reason I have been advancing in support of my view has been that the united nations charter is worded so vaguely that it becomes the duty of the house to study the whole matter with great care.

I bow to Your Honour's ruling, of course, but I believe Your Honour would desire that in making my case I receive justice. It has been Your Honour's desire and endeavour to give justice.

I draw attention once more to the fact—

[Mr. Mackenzie.]

Mr. SPEAKER: I cannot permit the hon member to go further in discussing the organization or the charter of the united nations, and I trust since I have expressed my opinion, the hon. member will respect it. My duty is only that of applying the rules. If it is the desire of the house to have a full discussion on the united nations organization, then the house must so decide. If it does not, and wishes to abide by the rules, it must discuss only the principle of the bill; and in that I hope I shall have the cooperation of all hon. members.

Mr. BLACKMORE: Mr. Speaker, everything I have adduced as evidence in my speech is taken directly from the proceedings of the committee on external affairs. How in the world can it be out of order when it is the very material discussed by that committee on June 10?

Mr. KNOWLES: That does not make it relevant.

Mr. BLACKMORE: What I have said certainly refers to the bill; it could not possibly be otherwise. If Your Honour's mind is made up that I must not continue along those lines, then I can only bow to your ruling. However I submit that what I have been saying about the bill is in support of giving it the six months' hoist, and, in consonance with the principle that we ought not to associate ourselves any more intimately with the united nations organization until we know more about it. I submit that that kind of argument is about as effective and valuable as could be advanced before the house at the present time.

In closing may I say a few words which probably will not be offensive to Your Honour. Already the united nations is not being used. It will be noted that the United States dealt directly with Greece and Turkey, not through the united nations. Great Britain and France dealt directly with Russia, and did not deal through the united nations. We ought not to be deluded by this united nations window dressing. We ought to be more careful. We must be circumspect in regard to this whole question. I suggest that under the circumstances Canada ought to be prepared to withdraw from the united nations organization and from the Bretton Woods agreement, and should call upon all nations of good will to form an organization for international cooperation based upon the blueprint of the British commonwealth of nations.

Mr. SPEAKER: Order. I am obliged to ask the hon. member to resume his seat.

Some hon. MEMBERS: Question.

Mr. JEAN FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, I wonder if the hon. member has completed his speech.

Mr. BLACKMORE: I have been told to take my seat, so I am through. Now I turn the matter over. I do not propose to fight all day over this matter; but I am right, I am sure of that.

Mr. POULIOT: Mr. Speaker, it is easy to cover much ground and still be in order on this matter. One may refer to what was said on second reading by the right hon. gentleman who sponsors the bill, and also what was said by the critic of the official opposition with respect to external affairs.

There is a rule which states that hon. members are not permitted to quote verbatim extracts from speeches delivered in another debate in the same session. But this is the third reading of the bill, and the debate is just a continuation of second reading. Therefore any member is allowed to refer to what was said when the principle of the bill was discussed on second reading. The interpretation of the rules indicates that debate on the third reading of any measure may be much broader than that on second reading, when only the principle of the bill may be the subject matter of a speech.

We now have an amendment to the effect that this bill be read a third time six months hence. The Secretary of State for External Affairs (Mr. St. Laurent) has spoken in support of this amendment, because he is reported on page 3434 of *Hansard* of May 26, as having said:

> At the present time there does not seem to be any urgent need for action to implement decisions under article 41 of the charter.

It is clear and definite that this is not a matter of urgent importance and that the amendment moved by the hon. member for Broadview (Mr. Church) and supported by the hon. member for Lethbridge (Mr. Blackmore) is most timely. The minister said that at the present time there does not seem to be any urgent need, and that is exactly what the hon. members for Broadview and Lethbridge are saying. We should not be in a hurry. The session is coming to a close and we have this in the way of prorogation, as well as other bills having to do with the united nations. Hon. members are told not to speak too long, to be concise, yet we are trying to remove all obstacles in the way of Canadian sovereignty. That is why I am so glad to support the amendment which has been moved.

I should like to quote further from the statement made by the right hon. gentleman, for whom I have the deepest respect. We may disagree on certain matters of importance and still remain friends. We should not have only canned ideas in this house, canned ideas from the security council. That is all the security council is doing—canning ideas and propaganda so that it may be distributed throughout the world. The minister went on to say something that is right to the point; I agree with it, and I want to read quietly and slowly what he said so that every hon. member will realize that a most important statement has been made against this bill by the right hon. gentleman who was sponsoring it. He said:

> Unfortunately—at least I regard it as unfortunate—proceedings in the security council have dragged to an extent and to a degree that has appeared to be disappointing and not to give us the feeling that it was capable and willing to take an active hand in preventing international strife.

Mr. KNOWLES: Will the hon. member go on?

Mr. POULIOT: I will finish the paragraph.

Mr. KNOWLES: Read the first sentence of the next paragraph.

Mr. POULIOT: Did I read correctly?

Mr. KNOWLES: Yes.

Mr. POULIOT: Let me go on and finish. If the hon. member interrupts me it will delay prorogation. The right hon. gentleman went on to say:

> Nevertheless we have agreed to the charter. It is the only international instrument we have at the present time, and members on all sides of the house have declared that they support the policy of doing everything Canada can do to make the united nations succeed.

Mr. KNOWLES: One more sentence.

Mr. POULIOT: I want the hon. gentleman to be quiet. I will satisfy his mind. I have been drawing the attention of the hon. gentleman to the statement made by the minister. It would be a good thing for him to read it and re-read it until he understands its meaning. The minister said that it is the only international instrument we have at the present time. Considering the publication of white papers it may be the only one, but it is just a replica of the league of nations and the treaty of Versailles. It has shown a complete lack of imagination. It is not necessary to have all these papers. The one way to ensure peace in the world is for the United States and Canada to keep to themselves the secret of the atomic bomb, not give it to any other country. If we are as proud of our own country and our own citizens as we should be, we will realize that the only way

to prevent war in the future is to use the big stick, as was described by Theodore Roosevelt.

We have on this continent a weapon which can destroy the whole world if the world does not behave properly. I read in the papers today that Russia has made an experiment similar to the one which was carried on so successfully on the shores of one of our Canadian rivers as well as in one of the states in the United States. The whole thing blew up because they did not know how to do it. We know how we can do it, and the United States know how they can do it. With the secret of the atomic bomb—not with the atomic bomb—and the determination to keep that secret, there could be no wars for a long time. That would be a much simpler arrangement that the bureaucratic organizations of the united nations, which is just a replica and copy of the bureaucratic and useless league of nations.

I will go on and quote the next paragraph. I would not have read it, but I will quote it to satisfy my hon. friend. When the hon. member for Winnipeg North Centre stops to think about these matters he will realize that the security council—as it is—is something more than dangerous trips to all corners of the world. The minister went on:

That being the attitude, we do not want to be subject to any reproach that any act or omission of ours was a reason for delay in having the united nations and the security council fully operative. We therefore ask parliament to authorize the governor in council, should occasion arise, to make such orders binding—

Note that word.

—upon Canadian citizens as might be required to carry out Canada's obligations—

Note that.

—under articles 41 and 25 of the charter of the united nations in respect of non-military sanctions imposed by the security council upon a recalcitrant member—

Note that, please.

—of the united nations organization.

It is bad, it is not working properly, but we must use it because there is nothing else. Is that an argument? If the dunces of the united nations have not found anything better than this, are we bound to stick to them? This country might be considered a recalcitrant member of the united nations if we do not accept this. The argument is put forward that we are bound by that. Sir Robert Borden signed the treaty of Versailles in 1919 or 1920 and his signature was considered to be binding on Canada, but it was only about fifteen years later, at the time of Bennett, that Canada was called upon to pass legislation with regard to unilateral treaties, exactly the same thing as we are doing now.

Mr. SPEAKER: I am sorry to interrupt the hon. gentleman, but I am obliged to call his attention to the fact that he should confine his remarks to the principle of the bill.

Mr. POULIOT: Sir, with the greatest respect I am not to be called to order for commenting with as much precision as possible on the statements made on second reading by members who were not called to order for making them. Therefore I must be in order myself in referring to what they said.

Mr. SPEAKER: The hon. member will understand that the Speaker should not argue with the hon. member and the hon. member should not argue with the Speaker. I have a duty to perform and it is to keep the discussion confined to the principle of the bill before the house. I would ask the hon. member to proceed accordingly.

Mr. POULIOT: I have the greatest respect for the Chair, but I want to express my own feeling. I want to say why I am opposed to this, and if I cannot do that on the amendment I will do it on the third reading of the bill if the amendment is defeated.

We have now a whole pile of legislation. We are to substitute the concoctions of the minds of the bureaucrats of the security council and the united nations for the British North America Act. Our constitution will mean nothing if we bind ourselves to another organization that will be able to impose its will upon us.

I have something else to say. The minister in the very same speech said, at page 3435 of *Hansard,* in the same column, that similar legislation had been passed by the United Kingdom parliament and by the New Zealand parliament but had not been passed by the parliament of Australia or of South Africa. These people are more careful than the people of the United Kingdom and New Zealand. Why should we not do what they have done? The people of Australia and South Africa, especially General Smuts, are just as bright as the Canadian statesmen, and they have decided not to go on with this matter.

I will tell you, sir, why I think that the adoption of the united nations charter by this parliament does not bind us in the same way as a treaty. It is precisely because of my experience with the treaty of Versailles that I say this. It was approved by the parliament of Canada, but it took fifteen years to approve the so-called unilateral treaties, which

were just like the forms of procedure that lawyers find in a book but which are not procedure because they are not signed by anybody. It took fifteen years to discover that these were "treaties", and when I asked the then minister of justice, Mr. Guthrie, who was also a good lawyer, how we could have a unilateral treaty, he could not reply. Now we have the very same thing. We are bound by those obligations.

I never took the united nations seriously because its direction is in the hands of people who think only of material gain, not spiritual gain. I remember giving an interview to a local paper two years ago to that effect. I said that the united nations would go nowhere because they pay no attention to spiritual values. They are those greedy mercenaries who will give orders that we will have to listen to. No, sir. I believe in freedom and in the sovereignty of Canada, and I will oppose with my last breath legislation of this kind, because since the united nations charter has been adopted we realize that it has been a fiasco from beginning to end.

Mr. BLACKMORE: Just window dressing.

Mr. POULIOT: Not only that. I have quoted one right hon. gentleman who sits on this side of the house. I will now quote another hon. gentleman of great experience in international affairs, a personal friend of mine for whom I have great regard, one who has attended these conferences which have always ended in a fiasco. At page 3437 of *Hansard*, in his admirable speech the hon. member for Peel (Mr. Graydon) said:

> One cannot look upon the economic sanctions end of our united nations work without thinking also of the collateral part, the military sanctions.

He went on, and I would like the hon. member for Winnipeg North Centre to follow this to see if I read it correctly:

> The military sanctions and the staff committee's report to the security council have been one of the most disappointing—

He used the word "disappointing", the word that was used by the Secretary of State for External Affairs, and goes even further; for he says:

> —have been one of the most disappointing and discouraging things that I have heard or read since I have had anything to do with the united nations itself. It is not setting up an international army, navy or air force. It does not purport to do that. The report in fact says that, because there are so many of the big powers which have a veto and can say no, there is no use in having a large army, navy or air force at all. In other words, we are not even to have an international police force. We are just going to have a nice easy-going little body of truant officers to make sure that the little boys throughout the world will not cause any trouble.

That is true, and it is a saddening experience. But some Canadian people have the idea that everything is good so long as it is not Canadian.

Mr. BLACKMORE: If it is international.

Mr. POULIOT: If it is international, then everything is all right. We have the right to question the character of witnesses when they appear to give evidence. We have the right to question the character and the evidence of all those on the security council. They may mean well, but up until now they have not shown that they were meaning well, and that is the reason why I object as strongly as I can to this legislation, which I sincerely consider bad. I do this for future generations. The hon. member for Lethbridge and the leader of his party spoke of the future generations who would be bound by what we are doing now, and they were right. Those who are sponsoring this legislation, just as the Versailles treaty and the Briand-Kellogg pact which were to maintain peace throughout the world were sponsored, run the risk of leaving to future generations an execrated memory. I do not want to forecast evils that may not occur, but judging from the last two years only a miracle can save the world if we do not keep to ourselves the secret of atomic energy.

Spiritual values count. I do not wish to offend any of those who have participated in these negotiations, but if Canada was left aside, if Canada was not appointed to the security council, it was precisely because it was discovered, and discovered early, by the jackals and wolves of the big powers and those on the security council, that Canada was honest and sincere in her proposal to maintain peace. It was precisely because Canada looked sincere and honest in her endeavours for the establishment and the maintenance of peace throughout the world that she was discarded, that she was put aside. They said to Canada: We do not want you on the security council; we do not want a Canadian as secretary of UNO; you must stay at home; you may come to our meetings, but you must sit at the small table. That is why I resent deeply as a Canadian—and I do not say that to show disrespect to Canadian delegates, of any party, who have been there—the behaviour of the UNO regarding Canada. I feel ashamed, and it is time to give solemn warning to the government not to go too far in that direction.

Of course there are the Rhodes scholars who have been trained to see big, the spiritual children of Cecil Rhodes who have been trained to see big, to forget everything that is patriotic, to forget the land of their fathers, to forget all that for the international organizations.

Mr. SINCLAIR (Vancouver North): Nonsense.

Mr. BLACKMORE: Absolutely true.

Mr. SINCLAIR (Vancouver North): Nonsense.

Mr. POULIOT: They are a menace to the future world because they have no patriotism. They called all people who did not agree with them isolationists, when they were only patriots, when it was only the virtue that their forefathers had, and they wanted the happiness and progress of their own country. At the present time they are jumping into international organizations, and because these organizations are bigger, because they are more bureaucratic, because there are so many doing nothing in these organizations they say that this suggested organization is a good thing. They do not realize that war may come nearer and nearer and that these incompetent organizations which have been a curse to the world in the past will be, God forbid, a curse to the world of the future.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, I am not an expert on parliamentary law, but I do lay claim to having a big bump of common sense. In this house we have two groups, and they are represented here at this same desk. I admire my deskmate for the manful way in which he stands up and defends his own way of thinking.

Mr. POULIOT: I admire you, too.

Mr. McIVOR: But I have as good a right to stand up and say that I support the united nations.

Mr. SINCLAIR (Vancouver North): And make more sense.

Mr. McIVOR: When we sent a delegation to San Francisco I think we sent an intelligent one and they obligated themselves. Instead of making a speech in defence of my position on this bill I should like to register my disapproval of this amendment by my vote, and I hope that every other hon. member who has not spoken will do the same thing instead of making a speech.

Mr. STANLEY KNOWLES (Winnipeg North Centre): I shall be only a couple of minutes. It seems to me that few debates that we have listened to have wandered so far from the subject of the bill under consideration. We have not before us at this time any proposal for the adoption of the united nations charter, because it has already been adopted. This parliament approved it unanimously, which means that even the hon. members of the Social Credit party did not vote against it when it came before the house. We have not before us any proposal to adopt article 41. That is already part of the charter; so is article 25, under which this parliament, by unanimous vote, undertook to carry out the obligations contained in article 41. By virtue of our adopting this charter by unanimous vote of this parliament we, this parliament, obligated ourselves to the commitments envisaged by article 41.

All this bill does is to transfer or delegate to the governor in council some of the obligations that we undertook under article 41 when we signed the charter. It seems to me that the matter is purely a domestic issue as to how we shall carry out within our country certain commitments we have already made.

Before I sit down I wish to say that the debate has served one purpose at least. It has given some hon. members an opportunity to make clear that what they are opposing is not article 41; what they are opposing is Canada's membership in the united nations. The hon. member for Lethbridge (Mr. Blackmore) said that he felt the time had come when Canada should withdraw from the united nations. That is not the measure before the house. At least we now know the meaning of the opposition to bills like this, and I hope that if there is a vote either on the six months' hoist amendment or on the motion for third reading, the vote will be an overwhelming one not only in support of this bill but thereby in support of the united nations.

Mr. NORMAN JAQUES (Wetaskiwin): I should like to say a few words as a member of the committee on external affairs. I do not know whether there will be another opportunity this session or not, but I should like briefly to say a few words on this bill.

The hon. member for Winnipeg North Centre (Mr. Knowles), who has just taken his seat, claims that because we signed the united nations charter in San Francisco we should give approval to this bill. Was that a blank cheque? Are we bound to accept everything that is done under the united nations from that time on?

Mr. COLDWELL: No. This parliament ratified Canada's signature. That is the point.

Mr. BLACKMORE: It is time we changed our minds.

Mr. COLDWELL: We did it unanimously.

Mr. JAQUES: There are ideas which have arisen since the charter was signed, and I can only hope, to the credit of those who signed it, that they had no idea then of some of the things which are now proposed under the united nations charter. For instance, let me refer to just one thing, and I think one of the most important, namely UNESCO.

Some hon. MEMBERS: Order.

Mr. MacINNIS: We are not discussing UNESCO.

Mr. BLACKMORE: It is one of the specialized agencies, is it not?

Mr. JAQUES: One of the things the hon. member does not wish to hear about.

Mr. DEPUTY SPEAKER: Order. I did not hear all the hon. member said. I do not know what the hon. member is about to refer to. I should remind him, as has been pointed out, that Canada is a member of the united nations, and became a member by virtue of the unanimous vote of this house. The bill before the house at the present time is wholly with respect to special powers which should be vested in the governor in council in pursuance of article 41 of the charter. I would ask hon. members to confine their remarks to that question.

Mr. JAQUES: Mr. Speaker, I understand that this bill refers specifically to the immunities—

Mr. COLDWELL: No, you have the wrong bill.

Mr. KNOWLES: We passed the immunities bill the other day when you were not here.

Mr. JAQUES: Well, it does not matter. What I wish to say will apply here.

Mr. MITCHELL: You are in the right pew but the wrong church.

Mr. JAQUES: You are not even in the church.

Mr. DEPUTY SPEAKER: I am sure the hon. member will confine his remarks to this bill, which is an act respecting article 41 of the charter of the united nations.

Mr. JAQUES: It is stated that this act may be cited as The United Nations Act, and under that I am entitled to discuss the matter I am referring to.

Mr. DEPUTY SPEAKER: It may be cited as The United Nations Act, 1947.

Mr. KNOWLES: But the title is "An act respecting article 41 of the charter of the united nations."

Mr. JOHNSTON: Who is Speaker in this house?

Mr. JAQUES: Yes, who is Speaker? I am discussing the United Nations Act and I wish to refer to a certain statement made last week by the Prime Minister. I say that that statement is most pertinent to the bill under discussion, and I should like to repeat the Prime Minister's words:

> We stand today at the crossroads of the world. The release of atomic energy marks the opening of a new age. Whether the new era will be one of unprecedented progress in human welfare or of unparalleled destruction depends more than all else on whether the affairs of nations are to be based on a Christian or a pagan philosophy.

Following the words by the Prime Minister of Canada were the words of a message to Canada from His Holiness the Pope. These were his words:

> The Holy Father's special message to this congress is that liberty is dependent on truth. The Holy Father quotes the divine works. The truth will make you free. Truth is the mother of liberty. Truth is its light, its means and its glory.

Now what is the truth of this united nations organization? A part of its duty, or rather a part of its purpose and a very important part of its purpose, is to reeducate the world, and UNESCO is a leading part of the united nations organization, which I am now discussing. It is one of the specialized agencies of the united nations. The title of UNESCO, I may say, is the united nations educational, scientific and cultural organization. The head of that organization is a professed atheist who has signed his name to a declaration that his purpose as head of the organization will be to teach the world that it no longer needs religion as a basis of its moral code. That is a fact, and how many in this house will stand up and face that fact? He goes on to say that his purpose—

Mr. COLDWELL: May I rise to a point of order, Mr. Speaker? This is a simple bill. The question before us is whether we shall transfer certain powers from this parliament to the government of Canada. It has nothing to do with UNESCO or Julian Huxley, and it seems to me that in the interests of a proper discussion of the measure before us we should confine ourselves to its provisions. I would ask you, Mr. Speaker, to say what we ought to do. Someone suggests that I do not want to hear about it. I do want to hear about these things.

An hon. MEMBER: Then sit down and listen.

Mr. COLDWELL: I want to hear about them, but I want to hear about them at the right time and in the right way.

Mr. JAQUES: And when is that?

Mr. COLDWELL: When the matter of UNESCO comes before the house.

Mr. JAQUES: When will that be?

Mr. DEPUTY SPEAKER: We are discussing the question whether or not the powers set forth in section 2 of the bill should be given to the governor in council. That is the whole question. There is also the question of penalties arising from default, but the question before the house is whether certain powers should be given to the governor in council.

Mr. GRAYDON: There is the question of the six months' hoist, Mr. Speaker.

Mr. DEPUTY SPEAKER: Hon. members may discuss whether or not it is advisable to defer the matter for six months. The question is whether or not the powers enumerated should be granted now, or whether the house should defer the whole matter for six months.

Mr. JAQUES: I was speaking to the amendment, which is to give the bill the six months' hoist, and I am trying to justify the purpose of giving the bill the hoist. I am not speaking only to the members in this chamber. I am trying to say something to the people outside this house who have very little idea of what is entailed in the bill.

Mr. HARTT: The hon. member has the right to hold meetings outside.

Mr. BLACKMORE: He has the right to talk here too.

Mr. HARTT: He said he is not speaking to the members of the house.

Mr. JAQUES: If you don't like what I say you can sit down.

Mr. HARTT: Who does? The hon. member wants to teach God Almighty his business.

An hon. MEMBER: He recognizes him, anyway.

Mr. HARTT: He would not know him if he saw him, and he would not see him if he knew him. He talks about Julian Huxley.

Mr. JAQUES: May I say, Mr. Speaker, that the remarks of the hon. member—

Mr. HARTT: For Cartier.

Mr. JAQUES: For Cartier.

Mr. HARTT: That is right.

Mr. JAQUES: I have heard the same sort of remarks many times in the past from the man who used to sit next to me, Fred Rose, the former member for Cartier; he had the same objection to my speeches.

Mr. HARTT: It may not be long before my friend is with Fred Rose.

An hon. MEMBER: That is where he would go if you had your way.

Mr. HARTT: I would let him loose on a leash.

Mr. POULIOT: Say it with flowers.

Mr. IRVINE: Enforce the rules, Mr. Speaker.

Mr. DEPUTY SPEAKER: I would ask hon. members to return to the discussion.

Mr. IRVINE: We have never been on it.

Mr. JAQUES: It is evident that certain members in this house do not care for the words which the Prime Minister spoke the other day at the official reception of the Marian congress. They do not like to be reminded that the future welfare of this country, and of other countries, depends on whether they are to remain Christian or to turn pagan. That is the principle, and that is what I am trying to establish. Only a short time ago the Prime Minister said our existence as a nation depends upon the preservation of Christian principles. When I said that a month ago I was denounced across Canada as a menace.

Mr. HARTT: That is true, but you did not say that.

Mr. JAQUES: I will challenge the hon. member for Cartier (Mr. Hartt) to get up and disagree with what the Prime Minister said. He is sitting there now; let him get up and say he does not agree with it. Go on; get up.

Mr. HARTT: Mr. Speaker, I have been challenged in this house.

Mr. JAQUES: Say you do not agree with your own Prime Minister.

Mr. HARTT: Don't tell me what to say now. If I told you what to say you would say something worth while.

Mr. MacINNIS: On a point of order, Mr. Speaker, this house seems to be getting out of hand. I suggest that if the hon. member for Wetaskiwin challenges the hon. member for Cartier to rise and speak, the hon. member then forfeits his own right to follow the hon. member for Cartier when he finishes.

Mr. POULIOT: This is like a meeting of the big five.

Mr. HARTT: As a matter of fact, Mr. Speaker, there is a rule that any speaker who yields the floor, or for some reason or other interrupts his own speech, thereby bars himself from speaking afterward.

Mr. LOW: Quote the rule.

Mr. DEPUTY SPEAKER: Order. I would point out to the hon. member for Vancouver East (Mr. MacInnis) that the only way the hon. member for Cartier may speak at this time is on a question of privilege.

Mr. HARTT: I respectfully submit, Mr. Speaker, that I was invited to speak by the hon. member for Wetaskiwin, who had the floor. In the middle of his speech he challenged me to rise, and resumed his own seat.

Mr. JAQUES: No; when I sit down.

Mr. HARTT: Therefore I not only have the privilege, I have the right to speak. If you, Mr. Speaker, agree that such things may be done in parliament I shall be glad to accept the challenge, inside the house or outside the house.

Mr. JAQUES: Let us get this clear, Mr. Speaker. I was about to repeat the words of the Prime Minister at the Marian Congress; I was present, and heard him speak.

Mr. HARTT: I rise to a point of order. According to rule 43—

An hon. MEMBER: Who gave you that?

Mr. HARTT: It doesn't make any difference; it is in the book. According to rule 43 the hon. member for Wetaskiwin, by his challenge, has forgone his right to speak and has given me the right to speak. Let me read rule 43. It is not a pleasure to follow the hon. member for Wetaskiwin, but when an hon. member has the floor other hon. members are supposed to keep their seats. I have the floor now.

Mr. DEPUTY SPEAKER: Order. The hon. member for Wetaskiwin has not given way. He has the floor.

Mr. JAQUES: Thank you, Mr. Speaker.

Mr. JOHNSTON: Let that be a lesson to you over there.

Mr. HARTT: Does he withdraw his challenge?

Mr. JAQUES: I shall conclude my remarks—

Some hon. MEMBERS: Hear, hear.

Mr. JAQUES: —by repeating the words of the leader of these members over here, the Prime Minister of Canada. May I say that I agree absolutely and entirely with what was said on that occasion by the right hon. gentleman. I was there and heard it; and here are his words:

> The release of atomic energy marks the opening of a new age. Whether the new era will be one of unprecedented progress in human welfare or of unparallelled destruction depends more than all else on whether the affairs of nations are to be based on a Christian or a pagan philosophy.

Mr. RODNEY ADAMSON (York West): Mr. Speaker, the motion before the house is that this bill be given the six months' hoist; and I submit that to carry this motion would be tantamount to an expression by this house that it had no faith in the united nations. That is a position I for one cannot take; and whether or not I am entirely in order in discussing this now, the situation is of sufficient seriousness for this house to consider it not in a spirit of levity but with the utmost seriousness.

The bill before us gives the government authority to deal with the affairs of the united nations. To withhold this authority from the government, who are the elected and responsible agents of the Canadian people, would be worse than an expression of no confidence, because it would be denying to the legally and democratically elected government of Canada the right to deal with a vital matter of external affairs.

The sort of debate which I regret has taken place in this house this afternoon is the sort of thing that weakened the old league of nations when that question was being debated in the United States senate. We have made fun of the united nations. We have belittled the efforts of honest people who are trying to bring about a world in which collective security will mean what it says. No one who has lived through the past two years will deny that the way has been tortuous and difficult, and that in many cases we have seen obstruction, childishness, stupidity and all the other individual frailties of members of the united nations. But to say now, by agreeing to the six months' hoist of this bill, that this house has no confidence in the united nations I submit would be one of the most retrograde steps any elected and free parliament could possibly take.

I regret having to disagree with the hon. member for Broadview (Mr. Church), but I do so with the utmost sincerity. Unless we can make the united nations work, our very civilization may fail.

Mr. GORDON GRAYDON (Peel): Mr. Speaker, having spoken at some length on the motion for second reading of this bill, I crave the indulgence of the house for only a

few moments to place my position, and I believe the position taken generally by this party, before parliament.

It may be helpful to hon. members to know that when a similar piece of legislation was placed before the house at Westminster—not recently, but as far back as April 1946—it was not only endorsed by the government in Great Britain but received even greater support from those sitting on the benches of the Churchill opposition formed by the Conservative party at Westminster. Perhaps it received an even greater measure of support from that opposition than from the government itself. I commend to the house the degree of unity which characterized the position which was taken by the official opposition in the United Kingdom house, and which carried with it the judgment of other parties as well.

I would be the first to concede to the hon. member for Broadview (Mr. Church) who moved the amendment, and to the hon. member for Lethbridge (Mr. Blackmore) who seconded it, the highest degree of conviction and sincerity of purpose. Let us not take the stand that because some may disagree with us in matters of this kind, they lack either sincerity or conviction. It is a good thing that these matters are discussed in the open, so that all of us may express our considered and mature views and judgment.

I believe I am reflecting what was so well said a few moments ago by the hon. member for York West (Mr. Adamson) when I state that were we to tamper or tinker with legislation such as this, which goes to the very root of a great experiment in world peace, parliament might be interpreted in the country as walking once more on the dangerous threshold of isolationism.

Mr. BLACKMORE: What about the British commonwealth?

Mr. GRAYDON: I will not argue with my hon. friend, because his views and mine on this matter do not meet. But we cannot afford to have that kind of message go from this legislative chamber in Canada, when we have been in the vanguard, the very forefront, in our support of the united nations since its beginning.

Although many times we have been discouraged and disappointed by its failures, still it seems to me Canada is not yet ready, even in an amendment of this kind, to condemn the one bright ray of hope for permanent peace. Let us keep that light shining in Canada for many years to come. Some hon. members may feel that the six months' hoist is only a consideration of time. But in the tradition of parliament this particular form of amendment has become more than that. I believe—and perhaps my view is shared by the government—that no great harm could have been done if the legislation had been left over until another session. But the fact is that it has been brought down at this session by the government; it is government policy, and we must either accept it or reject it.

Let us understand the meaning of the six months' hoist. It means killing the bill. In simple terms, that is the meaning of it, no matter what phraseology one may use to embroider it. It still means the killing of the bill; and I am not prepared to suggest to this party that such a course be taken.

May I read briefly from what I said on the motion for second reading:

I believe that many hon. members will be glad to endorse and approve this legislation, because Canada cannot stay out of a great structure of economic sanctions, since this nation must never leave itself in the position, so far as an offending nation is concerned, of being an international bootlegger in any sense of the term. That is not our role. It is not the kind of role that Canada has played up to date or intends to play in the years that lie ahead.

Either we mean business—

Let me emphasize this on third reading—

—in this international fight to keep the peace or we do not. If we do, then let us shoulder our full responsibility.

And this is one responsibility.

If we do not, let us not be hypocritical but rather abandon the whole thing now.

I am not prepared to abandon the whole thing now.

I believe I speak for everyone in our party—

An hon. MEMBER: Not the member for Broadview.

Mr. GRAYDON:

—in this house when I say that I for one want Canada to pull her full weight and, having that definitely in mind, I will support this legislation for the reasons I mentioned a few moments ago.

I reiterate that on this motion for third reading.

The house divided on the amendment (Mr. Church) which was negatived on the following division:

YEAS

Messrs:

Ashby	Kuhl
Blackmore	Low
Church	Pouliot
Fair	Quelch
Jaques	Shaw—11.
Johnston	

NAYS

Messrs:

Abbott	Jutras
Adamson	Kirk
Archibald	Knight
Barrett	Knowles
Beaudoin	LaCroix
Belzile	Lafontaine
Benidickson	Langlois
Bentley	Laurendeau
Bertrand (Laurier)	Leger
Bertrand (Terrebonne)	Lennard
Blair	Little
Blanchette	McCann
Boivin	McCuaig
Bonnier	McCubbin
Boucher	McCulloch (Pictou)
Bowerman	McCullough (Assiniboia)
Bradshaw	Macdonald (Brantford City)
Breithaupt	McDonald (Parry Sound)
Bridges	McGarry
Brown	McGregor
Burton	McIlraith
Campbell	MacInnis
Case	McIvor
Charlton	McKay
Clark	Mackenzie
Cleaver	MacLean
Cloutier	McLure
Coldwell	McMaster
Coté (Matapedia-Matane)	MacNaught
Coté (St. Johns-Iberville-Napierville)	MacNicol
Coté (Verdun)	Maloney
Croll	Marier
Cruickshank	Martin
Daniel	Massey
Denis	Matthews (Brandon)
Desmond	Matthews (Kootenay East)
Diefenbaker	Mayhew
Dionne (Beauce)	Menary
Drope	Merritt
Emmerson	Michaud
Eudes	Miller
Farquhar	Mitchell
Fontaine	Moore
Fournier (Maisonneuve-Rosemont)	Mullins
Fraser	Nicholson
Fulton	Nixon
Gagnon	Picard
Gauthier (Portneuf)	Pinard
Gibson (Comox-Alberni)	Probe
Gibson (Hamilton West)	Raymond (Wright)
Gillis	Reid
Gingues	Rinfret
Gladstone	Ross (Hamilton East)
Golding	Ross (Souris)
Gour (Russell)	St. Laurent
Gourd (Chapleau)	Sinclair (Vancouver North)
Grant	Sinnott
Graydon	Smith (York North)
Hackett	Stephenson
Harris (Grey-Bruce)	Stewart (Winnipeg North)
Hartt	Stirling
Hazen	Thatcher
Henderson	Timmins
Herridge	Townley-Smith
Hodgson	Tremblay
Ilsley	Tustin
Irvine	Viau
Jaenicke	Warren
	Webb
	White (Hastings-Peterborough)
	White (Middlesex East)
	Whitman
	Winkler
	Winters—142.

Mr. HATFIELD: I was paired with the hon. member for Three Rivers (Mr. Gariepy). Had I voted I would have voted for the amendment.

Mr. HLYNKA: I was paired with the hon. member for Rosthern (Mr. Tucker). Had I voted I would have voted for the amendment.

Mr. WYLIE: I was paired with the hon. member for Edmonton West (Mr. MacKinnon). Had I voted I would have voted for the amendment.

Mr. LAPALME: I was paired with the hon. member for Argenteuil (Mr. Heon). Had I voted I would have voted against the amendment.

Mr. SPEAKER: The question is on the main motion.

Mr. BLACKMORE: Mr. Speaker, I have just a word to say on the stand I have taken.

Mr. SPEAKER: Order. I would draw the hon. member's attention to Beauchesne, second edition, citation 325, which reads:

> A member who speaks in seconding an amendment is unable to speak again on the original question after the amendment has been withdrawn, or otherwise disposed of.

Mr. SOLON E. LOW (Peace River): Mr. Speaker, just a word in connection with the stand taken by myself and my colleagues on this whole bill, and the stand taken also by the hon. member for Broadview (Mr. Church) and the hon. member for Temiscouata (Mr. Pouliot). Our stand, Mr. Speaker, is a vote in favour of much greater caution and of realism in our attitude in international affairs. I know full well that there are those in this house who will seek to interpret our stand as indicating that we are opposed to the whole idea of the united nations and of international cooperation. The whole attitude of this government, as we have pointed out consistently, has been a tendency to rush headlong into any sort of international organization that may be proposed without taking time to give the matter careful consideration, or even to allow the necessary discussion.

Mr. SPEAKER: I would call the attention of the hon. member to the fact that he should confine his remarks to the principle of the bill. The question before us is not the organization of the united nations. That has already been organized.

Mr. LOW: Just in conclusion, Mr. Speaker, I say that our stand against Bill 132 simply means that we want greater caution exercised in international affairs, and that we are supporting the six months' hoist to give the Canadian people much more time for careful consideration.

Mr. NORMAN JAQUES (Wetaskiwin): Mr. Speaker, since I spoke this afternoon the hon. member for Peel (Mr. Graydon) speaking after me, implied that we in this group were opposed to doing our utmost in the interests of peace. I do not know whether he meant just that, but that no doubt will be the interpretation put upon his words by many people outside this house. I want to make it clear that I am just as much in favour of peace as anybody in this house or out of it. In fact I will go farther and say that there is no one in this house and no one out of it who is not in favour of peace. So there is no quarrel there. The reason I spoke—

Mr. SPEAKER: Order. I should like to call the hon. member's attention to the fact that he must confine his remarks to the principle of the bill. If he does not do so I shall be obliged to ask him to resume his seat.

Mr. JAQUES: Mr. Speaker, as briefly as possible I was trying to explain the reason for my vote this afternoon. Let me put it as briefly as possible, if I may.

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: Order.

Mr. BLACKMORE: Some hon. members do not know the meaning of British fair play or Canadian honour. Shame on them.

Mr. COLDWELL: May I rise to a point of order? I think the hon. gentleman will finish in a few minutes if the house will just keep quiet and let him carry on.

An hon. MEMBER: He is reading his speech.

Mr. JAQUES: I am sorry I am not able to shout over so much noise; I cannot do it. I am not reading my speech. I merely want to quote from a magazine which justifies—

Mr. GRAYDON: Give the hon. member a fair show if you do not agree with what he says.

Mr. SPEAKER: Order. I would ask hon. members to maintain silence. It is very difficult for the Speaker to follow the hon. member who has the floor.

Mr. JAQUES: In my remarks this afternoon I mentioned one of the main reasons for my opposition to this bill. I now have the quotation. It is very brief and refers to the head of UNESCO, which is one of the main branches of the united nations. Its purpose is—

Some hon. MEMBERS: Order.

Mr. MACKENZIE: I ask for the preservation of a semblance of decency in the house. The discussion today has nothing to do with the principles of this bill; it has not the slightest connection with it. The house has laid down certain rules, and I think hon. members should abide by the rules which have been passed by the majority. Surely we should get on with the business of the house.

Mr. McIVOR: On a point of order, Mr. Speaker—

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: Order. I would ask hon. members to keep silence in order that the Speaker may know what the hon. member who has the floor wishes to say, and to see whether he is in order.

Mr. McIVOR: The reason I rose on the point of order was to ask the hon. member to throw down his magazine and speak up.

Mr. GRAYDON: He has not a very strong voice. Have some consideration.

Mr. JAQUES: It is sometimes useful to quote world authorities. I am now quoting Julian Huxley, the head of UNESCO, which is the main part of the united nations and which we—

Mr. SPEAKER: Order. I feel obliged to ask the hon. member to resume his seat.

Mr. GRAYDON: Before you put the question, Mr. Speaker, may I rise on a question of privilege. A few moments ago the hon. member for Wetaskiwin (Mr. Jaques) indicated that he had read into the remarks which I made on the amendment some reference which he took as being offensive to him and to his party. If he will read my remarks he will see that the words are not there, and certainly it was not my intention to be offensive. On reflection I think he will wish to forget what he said, because it was not my intention to reflect on him or his party, and everyone in the house knew that.

Mr. JAQUES: Mr. Speaker—

Mr. SPEAKER: Order. I have asked the hon. member to resume his seat. Is the house ready for the question? Is it the pleasure of the house to adopt the motion?

Some hon. MEMBERS: On division.

Motion (Mr. St. Laurent) agreed to on division, bill read the third time and passed.

Mr. GRAYDON: May I raise a point of order now? I do not ask for any ruling by Your Honour at this time, and perhaps it is not right for me to make this request. At some stage before the end of the session, however, would Your Honour indicate under what rule or by what power or authority the Speaker may ask an hon. member of the house to resume his seat in the middle of a debate.

Some hon. MEMBERS: Hear, hear.

Mr. SPEAKER: I call the hon. member's attention to standing order 12 of Beauchesne, first edition:

Mr. Speaker shall preserve order and decorum, and shall decide questions of order.

In doing what I did a moment ago, I believe that I was helping to preserve decorum and dignity.

Mr. GRAYDON: If that were stretched too far it might become an abuse.

JUVENILE DELINQUENTS ACT

LEAVE TO APPEAL FROM DECISION OF JUVENILE COURT OR MAGISTRATE

Right Hon. J. L. ILSLEY (Minister of Justice) moved the third reading of Bill No. 267, to amend the Juvenile Delinquents Act, 1929.

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

INDUSTRIAL DISPUTES

INVESTIGATION, CONCILIATION AND SETTLEMENT—PROVISION FOR BOARDS AND COMMISSIONS, ETC

Hon. HUMPHREY MITCHELL (Minister of Labour) moved the second reading of Bill No. 338, to provide for the investigation, conciliation and settlement of industrial disputes.

Mr. ANGUS MacINNIS (Vancouver East): Before this bill is read the second time and referred to the committee on industrial relations, which is, I believe, the intention of the minister, I should like to make a few comments. I shall have some criticism to make of the bill, and in an effort to avoid raising the ire of the minister I want to say at once that all my comments will not be criticisms. The bill has its good points as well as its bad ones and I hope to refer briefly to both. I may say further for the minister's benefit that I realize as well as anyone can the difficulties, under a constitution such as ours, of drafting satisfactory legislation of this kind. In that regard the minister has my sympathy.

I would refer, first, to what I consider to be the favourable or good points in the legislation. In that respect I would say that the recognition of bargaining agents rather than bargaining representatives, as was the case with P.C. 1003, is a great improvement which, I think, will meet with the approval of organized labour right across the country. Another good point in the measure before us is that it specifically provides that the Canada labour relations board which will be set up under this act shall consist of an equal number of representatives of employers and employees plus a chairman. I am sure that also will meet with the approval of labour organizations. Another good feature is the provision in subsection 8 of section 32 that in proceedings before the board neither party can be represented by a lawyer or barrister or advocate without the consent of both parties, and even if the consent of both parties is given, the board may refuse to hear such representations. That is as it should be because conciliation boards are not legal proceedings, and every effort should be made to keep the proceedings under the board on a give and take basis of conciliation, free from technicalities and legal quibble. I commend the minister for putting in the bill the points I have mentioned. These three points do not, of course, exhaust the favourable features of the bill, but I wanted to refer to them first by way of appeasement. I am not ordinarily in favour of appeasing, but I thought it the best policy at this time.

To me, the fundamental fault in the bill is the restricted coverage. The provisions of the bill cover only a small fraction of Canadian wage-earners. Organized labour and others interested in legislation that would make for better employer-employee relations were hoping that when legislation for this purpose was drafted it would be much broader in scope than the measure before us. I am satisfied that in that way this measure is a disappointment to a great many. This bill can by no stretch of the imagination be called a labour code.

As I said before, I appreciate the difficulties that anyone attempting to formulate a labour code in this country would be up against, but that we have not something more comprehensive before us now is, in my opinion, due to the timidity of the Minister of Labour (Mr. Mitchell). The house will remember that last year when the industrial relations committee made its report to the house the first recommendation in the report read:

(a) That the proposed dominion-provincial labour conference be called at the earliest possible moment to draft a labour code within the

limits of the Canadian constitution and with a view to establishing machinery for the prevention of dislocations in industry.

That report was approved by this house, and I maintain that it constituted a direction to the minister from parliament to make every effort possible to draft such a measure as the committee had in mind. I do not think the Minister of Labour did all that could have been done to get the cooperation of the provinces for uniform labour legislation. I say that with all due recognition of the difficulties in the way. Of course I may be wrong, but I base this opinion on a statement made by the minister when moving the resolution on which this bill is founded, as reported on page 4230 of *Hansard*. He said:

> Last year we had a conference with ministers of labour of the various provinces and their officials, at which we discussed the more important principles of a new federal law—and, I may add, in a very encouraging atmosphere of cooperation.

Now this is what I want hon. members to note:

> The chief purpose of the conference, of course, was to obtain the views of the provinces as to when it would be most appropriate to restore to the provinces full responsibility for dealing with industrial disputes in industries ordinarily under their jurisdiction.

I was under the impression that the chief purpose of the dominion-provincial labour conference was to try to find a basis for national labour legislation. I do not think it was for the purpose of finding when it would be appropriate for the provinces to have restored to them the jurisdiction they held before labour relations were governed by the various orders in council passed under the War Measures Act. That would come, as a matter of course, when these orders in council or any legislation founded upon them expired. So that I think in that regard the minister has not done as much as he could have done, and the result is that this legislation and the provincial labour acts that were drafted during the last year do not provide uniform labour laws throughout Canada. Instead of having uniform legislation, we have nine or ten different acts relating to employer-employee relations, nearly every one of which is different from the other. If the Minister of Labour wants to achieve as large a measure of uniformity in legislation of this kind as I think his understanding of what is required demands, the arrangements made with the provinces in section 62 of this measure are altogether inadequate. Of the various provincial labour acts that have recently been enacted, in only one province, Nova Scotia, is the legislation substantially uniform with this measure. If we take the labour laws in the other provinces one by one we find that they have very little in common with this bill. The new act in British Columbia has some provisions similar to those in this measure, but taking it as a whole there are important differences. In Alberta, Saskatchewan and Quebec the labour legislation has little if any resemblance to this bill. In Manitoba, Ontario and New Brunswick the labour legislation is much along the lines of P.C. 1003, but again totally different from this bill.

The difference between the legislation in the provinces and this measure seems to me strange, if the provinces had before them the views of the Minister of Labour. Surely if the provinces had in their possession a draft of this bill before they drew up their own legislation they would have made some effort to bring their labour laws into closer relationship with the federal labour law. Either that or we must assume that the provinces are not interested in uniformity of labour legislation. In my opinion such uniformity is essential if we are to promote unity throughout this country. The conclusion I must come to, then, is that the minister did not impress upon the provincial departments of labour the desirability of labour laws such as recommended by the industrial relations committee and by this house.

There are in the bill two bad features I should like to mention. I may mention more than two, but I believe at least two merit special mention. The first is section 9(3)(a), which provides that there may be more than one bargaining agency in an industry. If that provision is maintained in the legislation when it is finally passed I believe the effect will be to make industry-wide collective bargaining more difficult, and it will also tend to create divisions and jurisdictional disputes in industry.

Mr. MITCHELL: That is to protect the craft organizations, as my hon. friend understands.

Mr. MacINNIS: I understand its purpose, but in these days of mass production, when the craft is losing a great deal of the value it once had, I think the provision in the bill is bad. I would take as an example the trade union in which I still have membership, the street railway men. For all practical purposes that is an industrial organization, though it is affiliated to the American Federation of Labor, which is supposed to be based on crafts. It brings in carpenters, blacksmiths, machinists, and all the different trades necessary in that industry. I know that over a period of the years craft unions

have endeavoured to take these workers out of the amalgamated association and get them into the craft unions.

Mr. MITCHELL: Take the steel industry, for example, where bricklayers have been employed for a great many years. Do you not think those fellows, with their tradition and record in that industry, should have a right to some protection under this legislation?

Mr. MacINNIS: I am not going to enter into an argument with the minister concerning a particular industry. I say there is likely to be more harmony in industry, and that all sections of industry are more likely to benefit if all the employees are covered by one agreement. I have had enough experience with labour agreements to know how a monkey-wrench can be thrown into the machinery of conciliation and how the reaching of an agreement can be disrupted by one section or craft making a separate agreement with the employing company.

Mr. MITCHELL: What about the railroads; what would you do there? Would you wipe out the machinists, the trainmen, the conductors, et cetera, and have one big organization?

Mr. MacINNIS: Where the principle is already recognized, as it is in connection with the railroads, where the workers for years have been organized in their different trades or crafts, this provision would not be necessary in order to maintain the present situation, because it would be maintained in that industry regardless, I think. I just wanted to draw that matter to the attention of the minister. Before he interrupted me—

Mr. MITCHELL: I am sorry; I should not have interrupted.

Mr. MacINNIS: That is quite all right. I was pointing out that in my own trade union, attempts had been made to take out those belonging to the various crafts, but good judgment has always prevailed and for a period of nearly fifty years they have been covered by one agreement.

The second bad feature I want to mention is the length of time involved in conciliation procedure, even before a strike vote can be taken. I have calculated, I think correctly, the number of days provided in the bill; and it takes approximately ninety days, even if each step follows the other without any delay at all, from the time proceedings are started until a strike vote can be taken. I am sure the minister, with his experience, realizes the importance of dispatch in dealing with labour disputes.

There is in the bill another defect, what seems to me a departure from ordinary procedure, in that police court proceedings are to be applied instead of civil action by one party or the other, as I think has almost always been the case. The Ontario rights of labour act and the Saskatchewan act provide generally that: (a) a union and its acts shall not be deemed to be unlawful simply because one or more of its objects is in restraint of trade; (b) any act done by two or more members of a union, if done in connection with a trade dispute, shall not be actionable unless it would have been actionable if done without any agreement or combination; (c) a union shall not be made a party to any court action unless it could have been so made a party irrespective of the provisions of the collective bargaining legislation; (d) a collective agreement shall not be made the subject of any court action unless it could have been so made irrespective of the provisions of the collective bargaining legislation. I believe that is a definite defect in the present legislation.

There are several other points which I should like to discuss at some length; but, since the measure is to go to the industrial relations committee, before which witnesses can be called, and representatives from employers, organized labour and other interested parties may have their say, I am not going to take up the time of the house any longer.

In conclusion, let me say to the minister that I am in whole-hearted agreement with the words he used in concluding his speech the other day, when he pointed out that harmonious relations cannot be brought about in industry solely by legislation. Legislation can set the rules; and a provision can be made to make each party abide by those rules. That, of course, is as it should be. But before we can have harmony in industry, several things will have to be done. Employers will have to realize that, while they may own and operate the industry, it is really the use the people of the community or the country make of that industry which gives it its value. Consequently the community has a stake in the industry outside altogether the stake the owners may have in it.

Then again the employee must realize that the community has a stake in industry, and that when production is retarded or stopped the community suffers. So I say there are two important points which both sides will have to accept. They must respect each other's rights in their dealings with one another. Second, they must accept their social responsibilities to the community.

With respect to organized labour, I wish to leave one or two facts with the house; anyone may verify these for himself by reading a little industrial history. Organized labour as we know it today came into being after the industrial revolution. For many years, indeed for nearly a century after that revolution, labour had no protection whatsoever from the state. As a matter of fact acts of parliament were passed to prevent labour from organizing to protect itself. So it is clear that labour organization had its birth in struggle and conflict, and it will take years of attempts at understanding and fair dealing before we can eradicate the evil results of the behaviour of employers toward their employees.

I am glad, and in my view the house and country should be glad, that in formulating this legislation, with all its shortcomings, the government did not adopt in its legislation the punitive provisions in the legislation which became law in the United States only yesterday. It augurs well for the future if we can resolve our difficulties on a basis of compromise and cooperation.

Mr. RODNEY ADAMSON (York West): Mr. Speaker, this legislation arises from the recommendation made last year by the industrial relations committee. It is an attempt to formulate a labour code for Canada.

Mr. MITCHELL: Why not call it an act?

Mr. ADAMSON: The resolution asked for a labour code. The minister may call it an act, if he wishes. I said it was an attempt to form a code. The minister may quibble about the word used, and I am prepared to accept his quibbles. It makes no real difference what it is called.

The basic reason for the legislation is, so far as possible, to have a pattern for labour legislation across Canada. In this connection any action taken by the federal government must in some respects come into conflict with the British North America Act, which definitely prescribes that, with certain limitations, labour relations shall be in the provincial field.

Those hon. members and other people throughout Canada who believe that labour legislation is an open and shut matter should ponder section 92 (10) (c) of the British North America Act, which reads:

> Such works or undertakings as although wholly situate within the province are before or after their execution declared by the parliament of Canada to be for the general advantage of Canada or for the advantage of two or more of the provinces.

That, in my humble opinion, still gives residual power to the federal authorities. That is a part of the British North America Act which might be interpreted in the widest possible way.

In a country like Canada there is bound to be difficulty in formulating uniform labour laws. The conditions of work, and the varied climate must be considered. Types of industry vary widely from one end of the country to the other. Such things as hours and conditions of work, wages and other questions should, in my opinion, remain matters to be dealt with by the provincial authorities. Therefore I do not think the criticism that there is not a uniform labour law across Canada is well taken when all these difficulties are considered.

The first criticism I have to make is that this legislation should have been brought down a long time ago. The bill was initially circulated at the turn of the year and it was ready for presentation considerably over a month ago. It is an important piece of legislation and it should have been brought down for full discussion in this house at that time. In view of the fact that we are in the dying days of the session and particularly when the country is being faced with induced difficulties caused by a major labour dispute taking place south of the border, it is perhaps unfortunate that this legislation has been so long delayed.

The test of all labour legislation is this: Will it promote industrial peace and maintain production? The fundamental fallacy of much labour legislation is that it is written against some body or is intended to be a curb on some activity or another. This legislation avoids many of the pitfalls we have seen in legislation elsewhere and as such it is to be commended. Labour law must not be punitive either way.

The first thing labour legislation should do is to protect the people of the country. The second thing it should do is to protect the individual freedom of the worker. During the past year there have been many instances in Canada where the individual freedom of the worker was not protected. Extremely arbitrary strike action was taken without the support of the vast majority of the workers concerned. As I say, labour legislation should take care to protect the rights of the individual worker. This bill is a short step in that direction.

We come now to one point in the legislation which is somewhat of a departure from the old law, that is, that conciliation proceedings must take place before strike action can be resorted to. That is one of the fundamental things that should be included in labour legislation; there should be an opportunity to talk the matter over before direct action is taken. To have left out that clause

would have destroyed the whole framework of this bill. This is being resented strenuously in British Columbia. I realize that the case in question is a provincial matter; nevertheless there exists on Vancouver island a situation which is in direct defiance of bill 39 of the British Columbia statutes. I feel that this provision for conciliation is a necessary part of the bill.

The next point is the recognition of the responsibility of unions. This bill makes the union an entity. While I have no legal opinion on the matter, I understand that the union will be a legal entity before the board; that is, before the law. I think that is good; I think that is necessary. The union must accept the responsibilities entailed in acting as a bargaining agency.

The next point is that this legislation provides an opportunity for both sides to state their case. There has been a bad tendency not to allow management to state its case to the worker, but this bill contains a clause giving management an opportunity to state its case. That provision should be a necessary part of all labour legislation. Both sides should have equal opportunity to state their case. That is the fundamental law of democracy. The regulations covering that should be definitely and precisely stated.

We come now to the question of representation. I disagree with the clause in the bill which prohibits lawyers from acting on the board. I am not a lawyer; I am an engineer and, as an engineer, my outlook on problems is finite; there is a yes or no about it. A thing is so long; it is so strong; it has definite shape and qualities. In the training of an engineer there is little room for compromise; a thing is either right or it is wrong. But when you are dealing with men, and frequently with angry men, there must be room for compromise and conciliation, and to disbar the legal profession from that type of work would be a retrogressive step in labour legislation.

Lawyers are trained as conciliators. We may object to them; we may have our views about the methods they employ, but conciliation is the essence of their training. To deny the one profession which has this training drilled into them through the years of university and law school is not assisting industrial peace across Canada.

In most disputes there is heat. People are very angry with each other. Management is angry with the union, and the union is angry with management. There is heat; there is hostility; there is even hatred. When you have management and union appointing someone who is not a trained conciliator, what is likely to happen? We saw it happen last year. The heat, the animosity, is, if anything, increased. Therefore I cannot agree with that section of the bill.

There are other things in the bill which, I suggest, can be better dealt with in committee. The definition of "employee" needs a great deal of clarification. I will mention just one point in that connection. One of the definitions of "employee" excludes from the bargaining agency employees who are in a confidential position with regard to labour relations only. There are a number of extremely confidentially employed persons who are not dealing solely with labour relations. I give, as an example, a man in a motor car factory who has the secrets of the design of next year's model, which is one of the most closely guarded trade secrets in all industry. I also suggest the technicians who are responsible for the control of alloys, or the composition of certain steels, and have a knowledge of special processes—all closely guarded trade secrets. I believe that such men too should be considered as confidential employees.

In conclusion, Mr. Speaker, the purpose of all labour relations legislation is to bring about industrial peace and continuity of employment by which true security is obtained. This bill will be judged by how well it accomplishes this.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, I must say that I am very happy to be here this afternoon to say a word on this bill. I am one of those who in 1941 stood over in my place in yonder corner and commended the Prime Minister (Mr. Mackenzie King) for the appointment which he had made of our present Minister of Labour (Mr. Mitchell). I have had something to do with teamwork in my short life, and the man who does not play with the team on which he is chosen is not much of a sport. When the minister took over this department I could not describe it better than by saying it was a hornet's nest. Labour from the Atlantic to the Pacific was burning hot. The leaders that he had to work with in his own department were, to put it mildly, not kindred spirits. They were not out to make his department a success so far as I could read into their findings. I am sorry that some of those leaders have not grown bigger and better. Some of them have.

One of the fine things that the minister did was the appointment of his present deputy minister. I took some pleasure in that, because he comes from that great city where the leader of the opposition (Mr. Bracken) knows that men think for themselves, and when Mr. MacNamara was appointed deputy minister of

labour, I began to see the clouds clear and that light was likely to come in.

The press has received the announcement of this bill favourably, and I have noted that two prominent labour unions have commended it. These same unions did not commend the minister in 1941. I was very glad that the hon. member for Vancouver East (Mr. MacInnis), whose way of presenting things and whose honesty I admire, pointed out some of the good things in this bill. I think that was a splendid recommendation.

This bill has many new things in it and, on the whole, I think they are mostly good. They may not be agreed to by all the unions, but the legislation represents in large measure a revision of the wartime labour regulations with modifications and additions which are considered advisable following experience gained in their administration and in the light of representations received from provincial authorities and labour-employer organizations.

One of the fine things the minister has been capable of doing is this. The word may not be quite suitable but at all events it is expressive, and that is that he is able to dicker with labour leaders. He knows their language; he knows their work; he knows their problems; he knows the difficulties they have in handling their membership. The minister himself has a long and honourable record as a labour leader, and I think labour all over Canada can commend the minister for this highlight in labour legislation. It would be interesting, I am sure, for someone to go over this bill and point out all the new things in it and show what benefits it will bring to employees and to employers as well.

My experience is that the man who toils must fight for everything he gets. The man who toils is never overpaid. He may get paid the standard wage, but my experience is that he never gets much more than he needs for his daily living. My experience of certain employers is that they are willing to cooperate all the way. I have known such men. One of them I worked with. He was willing to go all the way in helping his men to build up their homes, to improve their working conditions and increase their bank accounts. One of the things we have to do in the future is to give a little encouragement to the man who toils, because the toilers today need encouraging just as much as they did when they were far more underpaid than they are today.

There are one or two things in the bill which I think will prove very helpful. Employers are prohibited from interfering with or participating in the formation or administration of trade unions or of contributing to their support or from discriminating in regard to employment of any person on account of membership in a trade union or because of union activities. That is a summary of section 4. Then I find that where a majority of a craft or of a technical group are members of a union pertaining to such craft or technical skills, the union is entitled to be certified as the bargaining agent of that group if the group otherwise is not an appropriate union. This provision is similar to P.C. 1003 and is confined to craft groups. Growing out of this and out of sections 9 and 11 are two new things, the recognition as a bargaining agent denied to any trade union which, in the opinion of the board, is first influenced by an employer, so that its fitness to represent employees in collective bargaining is merely—

Mr. SPEAKER: Order. I am sorry to interrupt the hon. member, but he should not discuss the sections of the bill.

Mr. McIVOR: Mr. Speaker, I have not read very much in the house and I am not going to read now. The new principles in the bill commend it splendidly. I do not think an employer has a right to interfere with a union. This bill provides splendid means to protect the employer and the employee. If they are enforced, then the employer will be happy and the employee will be contented.

As I said, the toiler has to struggle for everything that he gets; but my experience as a one-time president of a trade union is that not all men in a union are reasonable. The minister will know that. The president of a union has to be as patient as the minister; he has to keep these men in line so that they do not go over.

I was greatly impressed this year when one of the great things that visited the capital city was an organization that many cabinet ministers attended. The hon. member for Cape Breton South (Mr. Gillis) like myself attended this meeting. It was a play put on in the Capitol theatre under the title of "The Forgotten Factor". Many of our ministers were there, and it was no discredit to see many hon. members from the opposition there on a Sunday afternoon watching the play. To me, that is the key to the solution of our labour troubles. You know as I do, and dear knows I love it much, that the love of money is a great curse. Whether that love of money is in the heart of the man who toils or in the heart of the man who wants to make big profits and dividends, it does not matter. The cure for our trouble today, both capital and labour, is that forgotten factor, men being

willing to get down and discuss matters on a common foundation. That common foundation must be one which will not give way, and which is not built on sand.

The pictures that I have seen of the report of that play indicated that it was put on by men from many parts of the world who had awakened to the reality that if you want to get the best out of a man you have to treat him with the Christian spirit. If you do that you will be able to meet him and be happy to see him, and you will be able to have refreshments of the right kind with him.

As I say, that foundation must be solid. To me, that foundation—and I am sure hon. members will pardon me for saying it, because I believe it—must be the love of Christ. When you build on that rock you will beat the devil to it whether he comes through money or in some other way.

Mr. JOHN T. HACKETT (Stanstead): Mr. Speaker, there will be ample opportunity for discussing the details of this bill, but if I have correctly interpreted one of the sections, there is lurking in it an objectionable principle, and it seems to me that this is the proper moment to direct it to the attention of the minister and of the government.

Under the heading of procedure it is stated that before a conciliation board the parties may be represented, but they have not an unlimited choice. The parties find themselves restricted as to the type of assistance they may retain to represent them before this conciliation board. Subsection 8 of section 32 indicates that lawyers, whether described as barristers, solicitors or advocates, may not appear before the board except with the consent of both parties. Even if both parties were to consent, it is still open to the board to deny such representation to either or both parties. It does not behoove me at this moment to enter into a lengthy discussion of this particular aspect of the bill. If there were brought before the house a bill in which it were said that a man suffering from a toothache might consult the grocer and the blacksmith, but might not go to the dentist; if it were said that a man much troubled in spirit might go to the theatre or to a concert but might not consult his pastor, and if it were said that a man suffering from appendicitis might see the tinsmith but could not go to the surgeon, we would think there was some peculiar aspect to the legislation and would wonder just why.

There is a profession which is neither young nor unknown that is peculiarly fitted by training, aptitude and experience to represent other people.

The ordinary individual, not having given himself up to the studies that are necessary to the Marshalling and presenting of facts in all their ramifications, goes when he wishes his case to be fully presented to that profession which is learned in the statement of facts in their entirety. Just why it should have seemed proper to the draftsman of this legislation to exclude that body and deny the board such assistance as it could give is not entirely clear.

Mr. MITCHELL: I would point out to the hon. member that the section is not new. It was in the old Industrial Disputes Investigation Act. I am not discussing the merits of the question or the position that my hon. friend takes, but there is nothing new in the section. It was in the old act.

Mr. HACKETT: Yes; it was in an act which was never enforced in that regard. But we are talking a great deal just now in this parliament and elsewhere about liberty and freedom, and here we are denying to the individual, who may not be able to state his own case, the right to retain somebody who can state it for him. We know that in many provinces, in fact in all, when an impoverished litigant comes before the court it is part of the function of the judiciary to provide that litigant with competent counsel. Indeed, there are cases of a certain type which may not be legally or properly heard until counsel is provided; yet forsooth here is a question which may involve and jeopardize the happiness, not only of a few people, but of a whole village of innocent children and helpless women, and we say by this bill, "You, the litigant, dumb and inarticulate though you be, may not avail yourself of the services of counsel."

Mr. MITCHELL: Labour organizations are never inarticulate. You need not worry about that.

Mr. HACKETT: It is quite evident that the government does not want to be fair in this instance.

An hon. MEMBER: They do not ask for this.

Mr. HACKETT: I do not know who asked for it. I do not wish to be drawn into a controversy at the moment. There is no suggestion that anybody should be forced to retain counsel, but if anyone wishes to retain counsel, then I submit that it is elementary justice, to say nothing of decency, that he

should have that privilege. I thank you for affording me this opportunity, Mr. Speaker.

Mr. CLARENCE GILLIS (Cape Breton South): This bill has twenty-eight pages and seventy-four sections. Dealing now with the principle of the bill, I think every member of the house agrees with the principle of establishing a national labour code. Whether this constitutes a national labour code or not remains to be seen. I will not attempt to discuss any of the details. The bill is going before a committee and evidence will be heard. It will come back to the house and, when it does, I shall be prepared to make whatever definite statement I may have to make on the bill at that time.

Motion agreed to, bill read the second time and referred to the standing committee on industrial relations.

At six o'clock the house took recess.

After Recess

The house resumed at seven o'clock.

OLD AGE PENSIONS

INCREASES IN AMOUNTS AND INCOME ALLOWANCE REQUIREMENTS—MODIFICATIONS OF ELIGIBILITY

The house resumed from Thursday, June 19, consideration of the motion of Mr. Martin for the second reading of Bill No. 339, to amend the Old Age Pensions Act.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, in discussing the present old age pensions legislation it must be apparent to all hon. members that the Liberal party—and I do not say this in any slighting way—has found itself hopelessly bound by an outmoded financial system. I think every member of that party recognizes, just as readily as we on this side of the house recognize, that the old age pension should have been almost twice what is provided in this bill; in fact I am of the opinion that if the members of the Liberal party were given a chance to record a straight vote in caucus, that is where they would put the old age pension, at about $50 a month; and I doubt very much that any member of the Liberal party would favour the means test. I doubt very much that they would favour a good many of the other unhappy things involved in this bill.

I know the Conservative party desire a better bill; I know the C.C.F. party do also. Why are the Liberal party not giving us a better bill? Just because they do not know where the money is coming from. They say they are in

the position of responsibility, and that must be granted. It is an easy matter for people outside looking in to tell how things ought to be done inside. It is a different matter entirely when one tries to tell what should be done, when he is inside.

I believe it is well to point out to the house that notwithstanding all their talk, if the Conservative party were in the position the Liberal party are in today they would not be doing one cent better. In fact I doubt very much if they would be doing as much, for the simple reason that you hear more talk about economy, as you heard more of that talk while the Conservatives were in power during the depression, coming from that party, without any clear idea as to where the economy is to be exercised, and how, than you hear from any other group of people in Canada.

Our C.C.F. friends have never made it entirely clear where they stand with respect to finances, but I gather that they would endeavour to raise the money through taxation also. If that is so I can tell you there would be a whole lot of extremely subdued members of the C.C.F. if they were in power in Canada today. They would be saying very little at the present time, because they, too, would be faced with the problem of raising the money from the people. After all, if the money you can raise from the people is all the money you can have, and in a democracy that means all the people will allow you to raise, then what you can do for old age pensioners or for anyone else will be rigidly limited, as the C.C.F. would find out very quickly.

This bill, as it stands today, constitutes a condemnation of the financial policy under which it was drafted. Let no criticism be levelled at the minister. And I am not sure that very much criticism ought to be levelled at members of the administration. Once they agree, as the Minister of Labour (Mr. Mitchell) apparently agrees, that there is no way at all of getting money except by taxation, their hands are bound; bound by bonds they themselves have put on, but nevertheless bound. A person would not be very far from the truth if he said this bill is designed and drafted under a system of "rob Peter to pay Paul". If you are going to rob Peter to get all the money you can pay Paul, then what you can pay Paul will depend upon how much you can take away from Peter. Perhaps that puts the matter about as simply as it can be put.

Although the words I am about to use may sound extreme, I believe very few members of the house and very few people throughout the country will wish to quarrel very energetically with me when I say that in effect

this bill has banished the senior citizens of Canada to a sort of Siberia of scarcity that it consigns the older citizens of Canada to a sort of restricted area of deprivation. I wish those words were really harsh, but I fear they are only too true.

I should like to put on record a quantity of information that has come into my hands since the beginning of 1947, which I believe people in future years will find interesting history, which people today can only regret, but which ought to fire people to far greater action than is in evidence at the present time. First, I should like to give hon. members and the people outside who read *Hansard* an excerpt or two from a letter coming from the old age pensioners' organization of British Columbia, signed by Mr. J. W. Hope. In this letter dated March 12, 1947, he uses these words:

> The $10 cost of living bonus granted by the B.C. provincial government applies to the pension granted in this province, but not to the pensioners of other provinces, except in the case of Alberta and Saskatchewan, which did arrange for the interchange of the bonus of $5 and $3 respectively.
>
> Therefore we have pensioners here getting $35 a month, others $30, others $28 and others $25.
>
> As they are all in poverty conditions on such pensions, this discrimination, account of past residence, only makes their suffering more bitter.

The house will be interested to learn that early in the year, desiring to get some information right from the field, I wrote Mr. Hope asking him to have his investigators look up the cases of several people who were enduring life on the old age pension allowance. After he had conducted a sort of survey, he sent me this information in a letter dated February 20:

> In response to our inquiry the following are the contents of the letters received from our members, showing the near destitution of the aged Canadian. This is the record and if you require the original letters I can send them to you.
>
> (1) A. Wood, 2264 Triumph street, Vancouver, February 11, 1947:
>
> "I am 72 years old, my wife is 67, so we have to live on our $30 a month for both. I prospected for 45 years, made quite a little money, and the same as all prospectors do, put it back into the ground. If it was not for the prospectors, there would not be the rich mines we have now. I helped to build the roads, bridges all over, to what are good sized towns today.
>
> I applied for social assistance for help, but because I had a car I could not so turned it down as I have to take my wife in it as her legs are done. I went to work a little when I can, but my legs won't stand it any more, but I have to stick it so as to save my home by paying the taxes."

That is number one. All hon. members will agree that the present increase of $5 will do this man very little good. Thus from now on to the last breath this man draws he is literally banished to Siberian scarcity. He is confined to a restricted area of deprivation.

I have ten cases here. I am not sure how many of them I should read, but I believe hon. members would like to hear two or three more of them. Number two is the case of Mrs. P. Gaskin, 2607 Fern avenue, Burnaby, New Westminster, British Columbia. She is an old age pensioner—

Mr. CRUICKSHANK: Why not read some from Alberta?

Mr. BLACKMORE: I conducted my inquiry in British Columbia because in that province the climate is more pleasant than it is in any other province. I believe that those who live in British Columbia would probably suffer less than some in other parts of Canada might suffer. I would say that if the people of British Columbia are suffering as intensely as these letters indicate, then heaven help the old age pensioners in the rest of Canada, and particularly the maritime provinces.

Mr. CRUICKSHANK: What about Alberta?

Mr. BLACKMORE: The hon. member persists in making this a political matter, and I have done my best not to do so. But if that is the way he looks at old age pensions I hope the people in his constituency will hear about it.

When I was interrupted I was about to read what Mrs. P. Gaskin had to say. She continues:

> I need clothes, where am I to get them from? I would like to get around a little, can't afford to buy even car-fare. If only our government would find the means to build some small houses for us to live in, and raise our pensions a little, we would be the happy old people we were meant to be. It is asking such a little. I would like to draw attention to a passage in our Bible. "It is more blessed to give than to receive." I hope something will be done. Even I am in favour of making public just how we are living. I have swallowed my pride. I have been made to do it. I would very much like the privilege of putting the whole of the government on the pension we get for just one month; it would be all they would want. Here is my expense bill for period February 1 to 11, eleven days.
>
> | | |
> |---|---|
> | To a basement room | $ 8.00 |
> | Electric bill for heat | 5.90 |
> | Bill owing for January | 5.00 |
> | Groceries | 4.85 |
> | Meat and fish | 1.00 |
> | Vegetables and fruit | 1.20 |
> | | $25.95 |
>
> Cheque $30.00
> 25.95
> ——— Balance $4.95 to last me sixteen days.

Then, here is what Thomas Hepburn, of 5025 Union street, Vancouver, states on February 14, 1947:

I am at wits' end to know how to exist on the miserable pittance with the living costs increasing and coal up to $14.50 a ton. I cannot go to church as I have nothing to put on the plate. Cannot get clothes. Keeps me guessing to know what to do.

I will take one more. This is the letter of E. N. Veysey at 4411 Albert street, Vancouver, British Columbia. The letter is dated February 16, 1947 and states:

I cannot understand how the members of parliament can expect us to live on less than it costs them for cigars. However we are trying to exist. With coal $14.50 a ton. We can get no clothes. We are in bad straits. Cost of living increasing daily. So please do something.

I am going to read no more of those pathetic cases. There are some here which would almost make the angels weep. Here is the comment which Mr. Hope makes, after having given the list of ten letters:

Mr. Blackmore, I have seen some of these hovels, some unfit for habitation. These old people have to go the Vancouver Liberty to get warm. They are sick in body and spirit, how they continue to live and why is a mystery.

I believe that sort of evidence—and the rest of it is just as bad—is enough to show that I was not speaking unduly harshly or unduly severely when I said what I did regarding this new old age pensions bill.

Then, there are some most deplorable cases dealing with the incidence of the means test. I believe it would be only fair to those who would want to know the history of these times if they were told some of the things which have happened in connection with the means test. I shall take one example from Quebec and one from Alberta.

In a letter of April 25, 1947, from 487 Sanford avenue, St. Lambert, Quebec, Anna Hachey writes:

I am in hopes that it will eventually be decided in favour of the pension payments without a means test, because I know of at least one typical case where a man who is now over 80 years old and whose wife is 75 and an invalid, was recently refused his old age pension for the reason that two years ago he was forced to make a transfer of his $2,000 savings to provide temporary lodging for himself and his wife. He now finds himself without any means of support, with no cash with which to secure clothing, medicine, etc., but the government cannot grant him his pension for another three years since apparently five years must elapse between the date of his transfer and his first pension payment.

What future generations will think of that kind of treatment of our senior citizens I tremble to reflect. I have a letter from Alberta, from a man named Daniel Forbes who lives in Lethbridge. This is what he writes on March 6:

Enclosed find a letter received from the pension board at Edmonton as I have been making a few dollars to help me to have a comfortable living and the little I have made is none too much and the way the cost of living has gone up in the past six months if they are going to deduct that off my cheque I may as well not work for they are taking all I make.

Thanking you for the noble fight you are making for us to have the pension raised to a decent standard of living. Wish you the best of luck.

Yours truly,

Daniel Forbes.

And here is the letter dated February 25, 1947, he received from Edmonton:

Dear Sir: According to the information on our file you earned $295.54 during the year 1946. As this income is in excess of the amount permitted under the regulations our board regret that it is necessary to decrease your monthly old age pension to $10.78. You will however, still receive the provincial supplementary allowance of $5 per month, making a total pension of $15.78.

We are very sorry to have to decrease your old age pension but we trust you understand that the present regulations are very definite in the matter of income, and the board has no choice but to comply with the regulations.

That is the kind of thing we are forced to by reason of the adherence to the present system of finance. It is not a question of how much milk, cream, butter, cheese, eggs and other kinds of food we have, how much clothing we can produce in Canada, or how much of anything else we can produce; it is a matter of how much money you can rob from Peter in order to pay Paul. If Peter has not enough money, then Paul has to go without, no matter how many goods the country is producing.

I wonder how many cases of this sort will be necessary in order to get into the minds of Conservatives and Liberals the fact that something ghastly must be wrong with a financial system which forces behaviour of that sort upon governments in this year of 1947. What is the matter that they cannot get to see that something is wrong? We have the people; we have the resources; we have everything in this country necessary to give everybody a high standard of living. Why are we not able to do it? How is it that the ordinary members do not ask themselves that question and demand of themselves that they find an answer? That is something which I must say I completely cannot understand. How it is that a member of this parliament, charged with the responsibility of conducting the affairs of this nation for four years, can disregard the potency of questions such as I have asked?

When social crediters offer their solution, which is the only solution offered, the Conservatives do not show the slightest difference between their mentality and that of the Liberals. So far as I can judge, the C.C.F. do not have the slightest difference either. Surely, when people stand and advocate a change such as we social crediters have done for years, something which can be supported by as much evidence as our arguments can be supported by, it seems to me that more attention should be given to it.

Mr. CRUICKSHANK: Where is that $25 a month you are going to give?

An hon. MEMBER: Ask Paul.

Mr. BLACKMORE: I wonder how much time the hon. member for Fraser Valley has given to a study of the possibilities of monetary reform. I wonder how much time since he came to this house he has given to a sincere, earnest, factual and scientific study of the principles of money.

Mr. CRUICKSHANK: I paid fifty cents for your book and I still do not understand it.

Mr. BLACKMORE: I suppose that is as far as you went; you never read it.

Mr. SPEAKER: I would ask hon. members not to interrupt the hon. member who is speaking.

Mr. CRUICKSHANK: He is referring to me.

Mr. BLACKMORE: That is quite all right; it is a good thing to have on the record evidence of such speeches so that the people can see how seriously some hon. members take their responsibilities.

On previous occasions I have presented to the house evidence showing the incomes being received by the Canadian people. I have here a letter from the bureau of statistics, dated September 25, 1946, giving details of incomes earned by Canadians according to the census of 1941. One paragraph reads:

> The percentage of wage-earners earning less than $450 for the twelve months period prior to date of the census, June 2, 1941, was 32·9 per cent; 28·7 per cent of the wage-earners reported earnings between $450 and $949; 29·9 per cent earned between $950 and $1,949 and 6·8 per cent earned $1,950 and over. 1·7 per cent of the wage-earners did not state the amount of earnings for the year.

How can people whose incomes are as small as those of the great majority of people indicated in that letter have a chance to help old people? What chance have they to save for their own advancing years? It is against that background that we must consider this bill which provides only $30 a month for people who are seventy years old. All we need to do is to bear in mind one more fact, that it is almost impossible for anyone over fifty years of age to get anything like a satisfactory job in this country. Then we must realize that for twenty years—from the time a man or woman is fifty years old until he or she reaches seventy—he or she is faced with the awful prospect of being thrown into conditions such as are indicated by that report. It is simply bizarre; it is something which gets near to the point of being hideous.

There is a great deal more material which I should like to place on the record because I am sure hon. members would like to have it; but, after all, I do not propose to spend all my time tonight just talking destructively. All that I have said up to the present time has merely indicated the unsightly aspects of the picture. If I went into any considerable detail trying to explain how matters might be improved I would be called to order immediately, but I believe the Speaker will tolerate my reading a quotation from an eminent authority, the Right Hon. Reginald McKenna, chairman of the Midland bank in England. The Right Hon. Mr. McKenna was so highly thought of in England that he figured prominently in the investigation of the Macmillan commission in Britain. His words are accepted as being of great worth. He presented a report to his shareholders which was printed in the London *Times* of January 30, 1936, so that it is pretty well up to date. He used these words:

> Additional currency, however, can now be furnished by the authorities, if they choose to exercise their powers, without reference to the central bank's holding of gold. Thus the nineteenth century, which brought into general use a means of payment hitherto scarcely known outside London, brought also the machinery whereby it could be subjected to intelligent control.

Hon. members can find that passage in the London *Times* in the House of Commons library. If they go to Mr. Hamilton he will find it for them very quickly and they can read that statement. In the light of that statement, I am going to ask a question of three hon. gentlemen—I do not think they are all here now; I did not know whether they would be here or not; I shall not refer to them by name but one is a minister and the other two are private members on the Liberal side—who have spoken slightingly about social credit. They have been so sure that any departure from our present financial system would constitute rubber money or phony money.

An hon. MEMBER: Funny money.

Mr. BLACKMORE: Or funny money. I should like those three gentlemen, and any other hon. member who felt inclined to applaud them when in some cases they made their rather smart-aleck remarks, to read those words and do a little bit of good careful thinking. If those words are carefully observed and carefully reflected upon they will indicate a way out of the difficulty we are in.

It is the conviction of hon. members that conditions are painfully bad. Everyone in the house is ashamed of those conditions. Everyone is filled with regret, and no one more so than the minister, over the limitations which are obvious in this bill.

What are we going to do about it? Just talk and talk and talk while the time passes? That seems to be about all that some members think is necessary. I think myself that the time has come for us to do something effective about it. I would say that the Liberal party today, unless it is bound by some influence in New York or somewhere else, unless it is bound by some hidden hand in Canada, could do itself honour beyond anything it has ever done in its history if it would come out frankly and take that passage and say: If Mr. McKenna was wrong, someone prove he was wrong; if Mr. McKenna was right, somebody prove he is right; we are here to be shown, and until this gentleman is proved to be wrong, we are going to assume, having all the reputation that he has, that he is right; and we are going to direct our financial policy in this country in accordance with the principles he lays down in that passage.

If they would do that we should not have to have a ghastly thing like this bill come in next year. We should have something which would give us all gladness and let us all go out to the country full of confidence. We should have something that would meet Communism head on. Is it any wonder that communism thrives in surroundings such as are depicted by the letters from which I have read? Is it any wonder that the children of those people become reds? If we want to meet Communism—and I think every member of this house recognizes that Communism is probably the most dangerous threat to Canada at the present moment—we have to meet it with measures that are just as good as those of the communists. We have this advantage, that in this country we have one of the richest countries on earth. We have one of the finest sets of industrial development to be found in the world. We are fresh from a war in which we covered ourselves with glory by our achievements in production. We are operating under a system which can produce in superabundance. Surely if we make up our minds, we can produce so superbly that no other organization can possibly compare with us.

I propose to leave that aspect of the question and move an amendment to the bill. I have endeavoured, before moving this amendment, to express the opinion of a solution that I had in mind. Having done so, I move, seconded by the hon. member for Peace River (Mr. Low):

> That Bill No. 339 be not now read the second time, but that the same be referred back to the government for their earnest consideration of the following provisions:
>
> (a) Reduction of the pensionable age to not more than 65 years.
>
> (b) Increase in the general pension to not less than $50 a month.
>
> (c) Complete abolition of the means test.

Mr. CRUICKSHANK: On a point of order, Mr. Speaker, can a member second a motion who is not in the house?

Mr. SPEAKER: No.

Mr. CRUICKSHANK: Then in order that my hon. friend may get his amendment before the house I will second it.

Mr. BLACKMORE: I am glad to have the hon. member for Fraser Valley second it.

Mr. MACKENZIE: On a point of order, Mr. Speaker, it is elementary that a member cannot move an amendment which involves even a contingent impost upon the taxpayers; it does not need to be an actual one. The amendment asks for consideration. Even that might involve a contingent impost on the people and I therefore submit that the amendment is out of order.

Mr. BLACKMORE: Will Your Honour now give your ruling?

Mr. SPEAKER: I will consider the amendment and give my ruling in a few minutes.

Mr. BLACKMORE: In the three or four minutes remaining at my disposal I desire to express my appreciation of the earnest attention which the members have given to this matter. Before I resume my seat I wish to say I believe that there are enough forward-looking men in this house willing to concentrate their attention on a general reform of the financial system, to render it possible that before this parliament dissolves we shall be able to do something to help solve the problems of this nation. I earnestly submit this problem to the members of the house for their most thoughtful consideration.

Mr. BENOIT MICHAUD (Restigouche-Madawaska): Mr. Speaker, I had hoped that I could support this bill whole-heartedly, but

after seeing it I find myself in a position where I cannot support it whole-heartedly although I shall have to support it.

Mr. JOHNSTON: Half-heartedly.

Mr. MICHAUD: Yes. I also find myself in the position where I must agree with most of what the previous speaker (Mr. Blackmore) has just said. There has been a reference in the course of the debate to his book. I have read it, and although coming from this backward province of New Brunswick I think I managed to understand what was written in that book, although I would not be in a position to discuss it in detail just now, but I am confident that I had a fairly good grasp of it at the time.

I agree that the blame for this bill not being a little better than it is should not be laid at the minister's door. It is the system. It is due, as I shall show later on, to the fact that this government is squeezed between the theories of its experts and reactionary forces among some elements in the country on the one hand, and the advanced theories of some of our friends here of the Social Credit party and perhaps of the C.C.F. party on the other hand, and the government has to try to steer a middle course. I shall come back to that later.

I consider that $30 a month is not sufficient. It might have been all right in August, 1945, when we were emerging from a terrible war. We had been used then to deficit budgeting to the tune of two or two and a half billion dollars a year, and our financial position was none too rosy. Yet at the time the federal government had made proposals to the provinces that it would undertake to pay $30 a month to people over seventy years of age. Since then we managed to balance our budget, and during the last fiscal year we had a substantial surplus, a surplus larger than all the surpluses taken together since confederation. For that reason I feel that we should be in a position to do a little better today then we were prepared to do in 1945. With the increased cost of living, $30 a month in 1945 is hardly less than $40 a month today, and it is very small.

A previous speaker referred to the fact that some old people have no relatives in a position to help them. I have knowledge of some elderly people in my own town. I know their sons and daughters, and they cannot look after their own families. How can they help their old people?

I agree that the means test should have been eliminated for the reasons which have been so well advanced by other speakers. It could be, I think, retained for people between the ages of sixty-five and seventy; it could be in the nature of a compromise, and it would answer the arguments which are advanced by those who favour the means test. My suggestion would be that it be enforced between the ages of sixty-five and seventy and then eliminated entirely.

Mr. CRUICKSHANK: Hear, hear.

Mr. MICHAUD: I am glad my good friend the hon. member for Fraser Valley agrees with what I have to say. Incidentally I must tell him that I was rather shocked the other evening. When he was speaking I applauded him generously and sincerely, but apparently he did not think I was serious. I wish to inform him as well as any other hon. members that if I applaud anybody I mean it. While I am on the subject, I might as well refer to the disparaging remarks which he made with reference to New Brunswick. It is true that as yet New Brunswick has not deemed it expedient to add to the 75 per cent-25 per cent basis of the pension; that is, it has not added anything in addition to its 25 per cent share under the federal act.

An hon. MEMBER: Shame.

Mr. MICHAUD: I must say, however, that the figures quoted by the hon. member for Fraser Valley the other day are not accurate. In 1944 we ran a provincial election in New Brunswick. I happened to be a candidate.

An hon. MEMBER: What happened?

Mr. MICHAUD: I was elected with a handsome majority. In our election propaganda we had some literature which showed that New Brunswick was paying the highest average of old age pensions in Canada.

Mr. CRUICKSHANK: No.

Mr. MICHAUD: That is what we had.

Mr. ROSS (Souris): It must have been campaign literature.

Mr. MICHAUD: If the hon. member will wait I shall tell him what happened to the old age pensions; I shall tell him something about the history of old age pensions in New Brunswick.

Mr. CRUICKSHANK: Hear, hear.

Mr. MICHAUD: In the summer of 1930 a Conservative government was in power in New Brunswick.

Mr. CRUICKSHANK: Shame.

Mr. MICHAUD: Before going to the people, they passed an old age pension act under which the old people would get a pension as soon as it was proclaimed, immediately after the election. They put the act on the

statute books, and it remained there until 1935 when they went before the people and, of course, were handsomely defeated. That is what the Tory party did in New Brunswick with old age pensions. I hope these things will be of some use to the hon. member who interrupted.

Mr. ROSS (Souris): How much did the old age pensioners get? That is the question.

Mr. MICHAUD: I am sorry, I missed the remark of my hon. friend. I agree also with those who have expressed the view that wives under seventy of men over seventy should be looked after a little more generously than they are.

Some hon. MEMBERS: Oh, oh.

Mr. MICHAUD: Yesterday I received a letter from an old gentleman in my riding who is seventy-five years of age. His wife is sixty-four. If he gets $25 a month he and his wife must live on that $25. In addition, there are widows over sixty years of age who are in destitute circumstances. The bill should have provided something for them as well. To sum up on this point, Mr. Speaker, I feel that the majority of the people of this country expected that this old age pension bill would be at least as good as the 1945 proposals. I think it would have been possible to have provided for those between sixty-five and seventy years of age on the basis outlined in the green book. The provinces would have been free to come in under this provision in somewhat the same manner as they were under the original act passed in 1927. As we all remember, there were quite a few provinces which were late coming in, but eventually they all came in. If a similar provision were made in the present bill, eventually they would all come under the act and the old people would be deriving some benefit from it.

Somebody referred to our pre-election propaganda in connection with the bill. I do not recall exactly what it was but I know we spoke about it. We were led to believe that something would be done in the near future for persons of sixty-five years of age. On the strength of that, I and other hon. members, I presume, answered inquiries from old people, expressing the hope that something would be done. We have been doing that for the last two years; we have been writing to them and expressing the hope that the provinces would agree with the federal government and that there would be some provision for them under our old age pensions laws. I am afraid that if nothing is done these people will be sadly disappointed.

I agree that under the constitution the primary responsibility for old age pensions is on the provinces. At the same time we all know that considerable development has taken place in this country since confederation and that the provinces have been unable to secure or procure the social services which are necessary today. Because of this they have been getting grants from the federal government. Grants have been increased at different times. I do not know what has been done for the western provinces, but I understand that at different times they have received special attention from the federal government. The maritime provinces have received increases in grants. Under the agreements which have recently been signed, seven of the provinces will be receiving considerable grants from the federal government. In New Brunswick I believe it will correspond to something between one-third or one-half of our budget, and I should not be surprised if the proportion were equally high in the other provinces. What I should like to see in this bill is a provision somewhat along this line. For instance, the federal government could pay to the extent of, say $24 a month, provided that the provinces contributed not less than $12, which would bring the total pension to $36; or the federal government could pay to the extent of $30, provided that the provinces paid not less than $15, which would bring the total to $45.

I suppose the objection of the government and of those who are responsible for the bill is one of a financial nature. The members of the official opposition who have criticized the bill have not to my knowledge made any constructive suggestions. Their criticism has been destructive only, not constructive. They have not told us where they would get the additional money to pay the increased pension. If we believe what they had to say in the course of the estimates, I do not believe they have made any constructive suggestions as to where expenditures could be cut down. They have, of course, emphasized lower taxation. In the amendment to the budget they referred to the oppressive burden of taxation, which goes to show that they are not in favour of higher taxation. Apparently they want to reduce taxes and increase expenditures at the same time, but under their philosophy of financing I do not believe that is possible.

I have listened, not to all, but to most of the speeches in this debate, and I understand that our friends of the C.C.F. did advocate last night a reduction in connection with the Exchequer Court Act, in the payment of the registrar. This would have meant a reduction of one-quarter of $1,500, or $375, but with that reduction we could not go very far toward helping the aged.

It cannot be of great value to criticize the bill and claim greater benefits under it unless some sort of constructive criticism is offered. On May 8, speaking on the budget, I did offer one suggestion which I feel is constructive, and that is the matter of eliminating from the budget this huge item, the largest item of the budget, of some $434 million which we pay annually to a privileged class, a class which some eleven million or twelve million people pay—the bondholders. I am quite sure our friends of the loyal opposition, the official opposition, will not agree with me on that point. On the contrary, they seem to be very much concerned about the matter of interest rates. The official critic of the party, in the course of his able address, made inquiries from the Minister of Finance (Mr. Abbott) to find out whether the rates of interest would remain tied down tight, and his appeal was pathetic. I was too far from him to see the tears in his eyes, but I distinctly discerned the sobs in his throat. Apparently the Progressive Conservative party is looking forward to an increase in the rate of interest.

I know that some hon. members will laugh at my suggestion, but there is a French proverb which reads somewhat like this: "He laughs best who laughs last." Perhaps in ten or twenty or thirty years from now our children or grandchildren, when looking over the deliberations of this parliament and seeing what attitude we took on this matter of interest rates, will be in a better position to tell who should have been laughed at—those who now advocate monetary reforms or those who oppose them. I think they will laugh at us—

Mr. CRUICKSHANK: There is no doubt about that.

Mr. MICHAUD:—for insisting on retaining a system of financing which was designed for a time of scarcity and which is entirely inadequate to meet the needs of an era of abundance. I am inclined to think they will look down on us with pity and possibly with some degree of shame and will ask themselves why we continued in that course. I believe they will have a right to ask themselves whether it was on account of inertia, self-interest, honest ignorance, pathetic blindness or misguided loyalty to the past, as somebody put it, and possibly they may come to the conclusion that we did it from self-interest, because the system served our purpose, because a great many of us derived part of our income or other advantages from the easy business of coupon clipping. I do not wish my children or my grandchildren to accuse me of such blind stupidity; hence my stand. I know it is not popular. It may not be politic, but I would rather look stupid now than after I am dead.

I wish to assure my good friends who do not share my views, particularly those on this side of the house, that I speak from a sense of deep conviction.

Mr. JOHNSTON: They had better listen to you.

Mr. MICHAUD: I speak after years of intensive and impartial study of monetary matters, and I wish to assure them that no part of my income is derived from interest on bonds or other such securities.

An hon. MEMBER: Have you any?

Mr. MICHAUD: I had some and I sold them.

Mr. MITCHELL: I know lots of working people who own bonds. Surely my hon. friend does not wish to deny them the right to the interest on their bonds. I am not talking about bankers and insurance companies.

Mr. MICHAUD: If the minister will listen to me for a few minutes I will try to make my point clear. As I said before, I do not blame the government for this state of affairs. They are pressed from two different sides, particularly by the forces of reaction from the Tory party, and for that reason, I suppose, they feel they have to steer a middle course.

Mr. FRASER: Do we have to read all that?

Mr. MICHAUD: I am sorry I missed the interruption. I do not know whether it was really very constructive. I think the task of this government will be much easier, as far as monetary reform is concerned, when the new parties constitute the official opposition and the Tory party occupies third place in the opposition, where they belong. Because of the tremendous amount of propaganda being spread about by some people who have an interest in retaining the present outmoded system, a considerable portion of the public is held in ignorance. It takes some time for public opinion to crystallize on this matter, and this makes it particularly difficult for those who believe that a better order could be inaugurated.

I mentioned something about our financial experts who advise the government. When those experts realize the danger of losing their jobs as a result of the awakening of public opinion I think they will be willing to admit that the so-called crack-brained monetary reformers, as they so despicably call us, may be right; and when they realize that they may be willing to recommend that the necessary reforms be implemented. On May 8 I

referred to Mr. Krug, who has been writing in *The Liberal Advocate* for some years. He writes articles with which I agree, which make sense, on these monetary matters. Since he has been writing in *The Liberal Advocate,* I gather that the Liberal party should not be too much opposed to his views.

Mr. BROWN: Is that an official publication?

Mr. MICHAUD: I do not know; I only know it is *The Liberal Advocate.* I should like to suggest to hon. members who have an open mind, and who do not believe that monetary reforms or changes would ruin them, that they read and study some of the able letters Mr. Krug writes. I have in my hand one dated May 7 and another dated April 15. I do not wish to take the time of the house in reading them, but I consider that they constitute food for thought, and any person reading them with an open mind cannot help being impressed with the facts they contain. Recently I read a little book, a copy of which I hold in my hand—I do not believe it is for sale as yet—written in a businesslike manner by a businessman. It is entitled, "Letters from a businessman to a student of economics." The gentleman is a businessman of consequence. He operates under the capitalist system.

An hon. MEMBER: Don't we all?

Mr. MICHAUD: Yes, but he operates in a big way, not like some of us little fish.

Mr. BROWN: Do you know him?

Mr. MICHAUD: Yes, I know him. He told me he had many years of banking experience, and he writes this book for the man in the street. It is very interesting; it contains great truths. Much as I should like to quote extensively from it, I shall content myself with just one paragraph.

Mr. NICHOLSON: Who is the writer?

Mr. MICHAUD: It is anonymous. I understand that the book is subject to minor corrections and that it will be reprinted. Possibly then the name of the author will appear on it, but at the present time I believe he wishes to remain anonymous.

Some hon. MEMBERS: Oh, oh.

Mr. MICHAUD: It is rather stupid, I should say, always to ask for the name. It is not so much who said it as what has been said. Whether or not this book is signed does not alter the substance of what it contains.

Mr. MITCHELL: It is like a verbal agreement, not worth the paper it is written on.

Mr. MICHAUD: I am sorry, but I missed that remark. I will say to the minister that this gentleman was appointed to a high office by the present government.

Some hon. MEMBERS: What is his name?

Mr. MICHAUD: Out of loyalty to the man who gave me the book, I do not feel justified in divulging his name. This is what he has to say about the reluctance of these so-called financial experts to advise us properly:

> We have too many economic advisers in this country in high places who are wedded body and soul to the system practically as it is, for it is all they understand. They are highly paid and will be as long as they can keep the old system on its feet, but they know full well that a real modernization scheme would leave them living with the past, and possibly with a minor job, for they have never opened their minds to what is going on around them in this changing world. They are like a court interpreter who interprets a certain language, and although population changes have come and the language he interpreted has become quite outdated, as Latin for instance, he still clings to it and wants it used quite exclusively in the court for it is all he knows. In other words he put his own interest ahead of progress and the world in general.
>
> It is the same with many of those who receive a large income either directly or indirectly from the workings of the present system. They cling to it at all costs no matter how outdated it has become, for it is the only system they know or understand.

The ACTING SPEAKER (Mr. Golding): Order. I hope the hon. member will try to discuss the bill which is before the house. Monetary reform is not under consideration at the present time; it is the old age pensions bill.

Mr. MICHAUD: A number of the hon. members who have taken part in this debate have offered destructive criticism. They did not tell the house where the money would come from to pay increased pensions. I offered a constructive suggestion, that the financing of the bonded debt of Canada be done through the Bank of Canada. I am not going to attempt to go into the technique of it, but I believe this is our target. This huge sum should be eliminated from our budget as quickly as possible. We have printed bonds; why not print dollars?

The ACTING SPEAKER (Mr. Golding): Order. The bill before the house is one to amend the Old Age Pensions Act, and I suggest that every hon. member should confine his remarks to that bill.

Mr. GRAYDON: And can the hon. member quote from a debate in the senate?

Mr. MICHAUD: I bow to your ruling, Mr. Speaker, and in conclusion I urge the government—

Mr. KNOWLES: To be anonymous.

Mr. MICHAUD: —to listen a little more to those who advocate reform. With this saving of $434 million, it would be in a position to pay liberal old age pensions, increased family allowances, and give us considerable by way of social services, as well as eliminate the nuisance income tax in the lower income brackets.

Mr. EDOUARD RINFRET (Outremont): Mr. Speaker, I have listened with interest and attention to what the hon. member from Restigouche-Madawaska (Mr. Michaud) has just said about the $434 million paid on bonds of the Dominion of Canada, and I wish to take strong issue with him on that question.

Mr. MICHAUD: I expected you would.

Mr. RINFRET: These people have invested their money in Canada, and Canada cannot refuse to pay them what they are entitled to. They have helped Canada when she was in need, and now Canada must help them, because not only rich people hold those bonds; there are quite a number of poor people. There are some small holders. Among them are some working people and some widows. And we have no right to deprive them of that to which they are justly entitled.

Mr. MICHAUD: I made no such suggestion.

Mr. RINFRET: We have listened to two speeches tonight, one of which was of a constructive nature, so we have been told, and the other was destructive. The first one we listened to was by the hon. member for Lethbridge (Mr. Blackmore). Not until 7.25 p.m., twenty-five minutes after he opened his speech, did he use the words "solution to the problem", then he mentioned them only; and it was not until about two minutes before the end of his speech that he offered his amendment.

Mr. QUELCH: Because he would have been ruled out of order.

Mr. RINFRET: The amendment is much less ambitious than the one moved last year by the hon. member for Pontiac (Mr. Caouette). I say that the Social Credit group have reduced somewhat their demands on this question. Last year the hon. member for Pontiac suggested that all people of the age of sixty or over should receive a pension. Now the Social Credit group has changed its mind and asks pensions only for those at the age of sixty-five. Last year the hon. member for Pontiac asked for $60 a month, but this year the Social Credit group reduces its demand to $50 a month.

We have heard tonight a most destructive speech in which reference was made to the Siberia of scarcity. We have heard about some sort of survey, carried out chiefly in British Columbia. However I noted that one letter came from St. Lambert, Quebec, and it was stated in that letter that no one can receive a pension before five years have elapsed between the time of transfer of property and the receipt of the first cheque for pension.

Siberia of scarcity?—we have not heard much about Alberta in all that. But I believe it is about the worst part, and gives evidence of the worst Siberia of scarcity. I have before me a manual which, I believe, was issued by the Social Credit group, and was written by the late Mr. Aberhart. This was written in 1935, and states:

> It is not very difficult for most people to understand the philosophy of social credit, and the three simple fundamental principles are also easy to comprehend.

Mr. QUELCH: Is this a debate on the old age pensions?

Mr. RINFRET: I will come to it in a minute. It continues:

> With some application of these principles to the affairs of the province as a whole and to the various units within the boundaries, does present numerous problems—

Mr. JOHNSTON: On a point of order—

Mr. RINFRET: And one of these problems is old age pensions.

Mr. JOHNSTON: On a point of order, I wonder if that is dealing with old age pensions.

Mr. SINCLAIR (Vancouver North): He just mentioned it.

Mr. JOHNSTON: If it is going to involve a debate on social credit we would be only too pleased to take part in it.

Mr. SINCLAIR (Vancouver North): He just got to old age pensions.

The ACTING SPEAKER (Mr. Golding): I would call the attention of the hon. member, and of all other hon. members, to the discussion before the house. We have before us a bill to amend the Old Age Pensions Act. I would ask hon. members to try to follow that.

Mr. RINFRET: It is interesting to see what Mr. Aberhart has to say about the general principle, and then to apply it to old age pensions. The last words he uses are these:

> It is to the solution of these peculiar problems that this pamphlet is directed.

I now turn my attention to a clipping from the *Globe and Mail,* the heading of which states, "Didn't buy annuities so Alberta won't pension man, 105". A few minutes ago we heard from the hon. member for Lethbridge about people ranging from seventy-two to eighty years of age. But here is one 105 years old, living in Alberta. He lives in Wetaskiwin. The article states:

Jim Winters, Alberta's oldest resident, will be 106 years of age next month and the argument is still waging as to whether or not he should get an old age pension.

Citizens of Wetaskiwin say "yes." The provincial government pension officials say "no."

Mr. QUELCH: The federal government says no.

Mr. RINFRET: It is the provincial government which has the authority.

Mr. QUELCH: It is a federal act.

Mr. RINFRET: And it continues:

The government says the $2,000 he received from the sale of his farm 45 years ago should have been put into annuities. His friends ask "what man of his age would buy annuities?"

Mr. QUELCH: Federal regulations.

Mr. RINFRET:

So far, both sides are unconvinced and the battle still wages.

Mr. JOHNSTON: Federal regulations.

Mr. RINFRET: The question I ask the Social Credit party is: Is this man Jim Winters on their Indian list? Because at page 33 of this pamphlet I find this:

What if a citizen squandered his dividends and was hungry or improperly clothed?

And Mr. Aberhart's answer was:

The credit house inspector would warn the citizen that he was abusing his rights and privileges and that it must be stopped or he would lose his dividends. If necessary, he could be put on an Indian list.

So I am asking whether Mr. Jim Winters is on the Indian list. For him I demand that at the age of 105 he be given a pension.

Mr. QUELCH: Page the present Minister of National Health and Welfare (Mr. Martin).

Mr. RINFRET: When he sold his property he was sixty-one years old. Who can imagine a man of sixty-one taking out an annuity?

Mr. JOHNSTON: It is a dominion regulation.

Mr. RINFRET: That is the Siberia of scarcity.

Then, we have heard about an increase of a mere $5. This bill does not increase the pension by a mere $5, because the $25 is based upon an order in council which was passed during the war, and was to apply only during the period of the war. The law as it reads at the present time provides for $20 a month.

An hon. MEMBER: Shame.

Mr. RINFRET: Therefore the increase being provided for by this bill is an increase of fifty per cent, not a mere $5 a month.

Mr. QUELCH: Why boast about it?

Mr. RINFRET: The $30 a month which is suggested at the present time is 125 per cent more than what it was in 1927. It was suggested that the government should pay two-thirds and the provinces one-third, but there is nothing in the legislation which would prevent the government of any province from paying the same amount as the federal government is paying. The federal government is agreeing to pay $22.50 a month, so that would mean that the old age pensioners would receive, not $37 as has been suggested, but $45.

We must remember that when the Old Age Pensions Act was passed in 1927 it was intended to encourage the passage of social legislation by the provinces. The provinces did not want to go into the field, and for some years after 1927 the contribution by the federal government was fifty per cent. Then in 1931 the contribution by the federal government was increased to seventy-five per cent, and the four provinces which had not come into the scheme then came in. It is up to the provinces to see that their old people are properly looked after, and it is only just that they should be prepared to pay the same proportion as the federal government is paying and thus provide a pension of $45 a month for our old people.

Mr. QUELCH: And restore the taxation field.

Mr. RINFRET: I will come to taxation in a minute. If the amendment now before the house providing for a pension of $50 at sixty-five years were agreed to it would mean that 767,815 people would receive $600 a year, which would mean a burden of $460,689,000 upon the shoulders of the taxpayers of the country. The statement by Mr. McKenna might be advanced as an argument, that additional currency would do the trick, but that is an infantile way of thinking. I do not believe there is anyone in Canada with any common sense who thinks that he would not have to dig down into his own pockets to provide the money. Everybody knows that when you spend five cents you have not that five cents any more. If the government is to put up the money it will have to be obtained through taxation.

Mr. BLACKMORE: The hon. member seems to know more than Mr. McKenna. What a wonderful authority he is!

Mr. RINFRET: It makes sense.

Mr. BLACKMORE: Not to any one with sense.

Mr. RINFRET: If we want to follow the suggestion of the Union des Electeurs, represented by the hon. member for Pontiac, there would be 460,000 persons who are more than seventy years of age and who would be entitled to receive a pension; then there would be 307,000 between the ages of sixty-five and sixty-nine years and 407,000 between the ages of sixty and sixty-four years. That would make a grand total of 1,174,966 persons receiving pensions without a means test. That is exactly one-tenth of the population. If each of those persons is to receive $60 a month it means a grand total of $845,975,520. The people would have to pay for that. If you added to that the $20 dividend which has been spoken about you have a grand total of over three and a half billion dollars a year. That is more than was spent during the war. The people would have to pay in taxation eight times the exemptions they were granted this year by the budget. Not only would they have to pay what they have been exempted, but the amount would be increased eight-fold. I do not think the people of Canada are ready to accept anything of that sort.

I was surprised to hear that proposal made by the hon. member for Pontiac, a riding in the province of Quebec. I recall some years ago that a certain gentleman who apparently has certain authority in outside circles complained that Quebec was receiving more than its share of the baby bonus or family allowances. It turns out that in 1946 Quebec received $8,753,000 more than Ontario. I am not suggesting that it would be bad if the shoe were on the other foot, but the fact is that if we followed the suggestion of the hon. member for Pontiac, Quebec with only 104,000 old people would receive $75,000,000, whereas Ontario with 184,000 old people would receive $133,000,000. If the reasoning of the hon. gentleman is good, then I do not think the province of Quebec could be called upon to pay $57,000,000 a year for older persons in Ontario. I do not say it is good, but the argument is just as sound as that made by Mr. Drew some years ago.

If my hon. friends on the other side want to pay a pension of $50 a month; if the hon. member for Pontiac wants to pay a pension of $60 a month, there would be no difficulty about doing it on a contributory basis. There is nothing to prevent the Dominion of Canada from paying three-eighths of the $60, which would be $22.50; the province could pay one-eighth, or $7.50, which is exactly what they are called upon to pay here, and there could be a contribution by the whole of Canada for the other half.

A contributory plan could be worked out whereby one-third would be paid by the dominion government, one-third by the province and one-third by the whole of Canada. Employers could be called upon to pay a certain amount and employees also. If each of the groups which I have mentioned paid an amount similar to that which will now be paid by the dominion government, $22.50, it would not be $60 that these older people would be receiving, it would be $67.50.

I do not think it is fair to the population of Canada to burden them with taxes or to burden future generations by borrowing money. The federal government should not be asked to take out of its coffers at the present time the $875,000,000 which is asked for by the hon. member for Pontiac. People who are suggesting these large advances in the pension other than on a contributory basis are rendering a very poor service to our aged people. They are putting in their minds dreams that cannot be realized at the present time. That is a disservice they are rendering to these people, because they are making them unusually and unnecessarily unhappy.

The present bill contains a provision for a pension for the blind at the age of forty. Last year, according to the public accounts of 1946, 6,945 blind people received a total of $1,526,747 in pensions. If the age limit for the pension for the blind people were reduced from forty to twenty years it would add only 1,164 people, and at the current rate would mean an additional expenditure of $314,280—I did not say millions, but thousands. That is an amount that could be very easily absorbed in our budget. The blind must have been resident in Canada for twenty years to receive a pension, so that if they started to receive their pension at twenty years of age it would mean that they had been here and been blind practically from birth. It would be a great help to them to receive the pension at twenty.

I have nothing further to add, Mr. Speaker. Inasmuch as the old age pension is primarily a provincial matter and the federal government went into it only because the provinces did not want to act, I think the provinces should do as well as the federal government and pay $22.50 to each one of their pensioners, who thereby would receive a total of $45 a month.

Mr. ANTHONY HLYNKA (Vegreville): Mr. Speaker, I should like to congratulate the hon. member for Restigouche-Madawaska (Mr. Michaud) on the fine address he delivered tonight, and more particularly on his courage and sincerity in speaking out his mind as he did. I would point out that, unless the old age pension is approached from the angle that he advocated and which the Social Credit members have advocated for many years, the problem will not be solved. I am glad that the Liberal party has two new monetary reformers in its ranks to take the place of the former member for Vancouver-Burrard, now Senator McGeer, and the former member for Parry Sound, (Mr. Slaght). If we may judge from their speeches these two new monetary reformers are the hon. member for Restigouche-Madawaska and the hon. member for Fraser valley (Mr. Cruickshank). We welcome them, and I would suggest that they should begin to work on the hon. member who preceded me (Mr. Rinfret). I think that would be a good beginning.

The problem of old age pensions, pensions for the blind, and pensions for the physically infirm who are incapable of supporting themselves is so important that I do not consider it necessary to apologize for taking part in this debate. The large majority of the members of this house will, I think, concede one point to the minister, and that is that the amending bill will improve the old act. On the other hand, I am of the opinion that the majority of members on both sides of the house were disappointed and shocked when they read the provisions of the bill, especially after the build-up and the promises which the government have made in the course of the past few years. I am sure that the Minister of National Health and Welfare (Mr. Martin) is conscious of this fact without its being told to him. But in fairness to the minister I will give him credit for the few improvements made by this bill. I consider it proper that I should point out the defects which have not been removed from the old act and its shortcomings.

The most disappointing feature of this bill is that it does not lower the age at which assistance can be provided between the ages of sixty and seventy years to people who are in dire circumstances, with no means of livelihood, and who must depend on charity. The exclusion of this group from the benefits of the act is cruel, inexcusable and unforgivable.

The large group of aged people who should have been taken into consideration are those between sixty and seventy years of age who have no means of livelihood. I have in my hand a report of the old age pension board of Alberta, giving the numbers of those granted pensions in 1943. There were 769 who had reached the age of seventy, or 58·65 per cent of the total number who qualified for old age pension; 145 received the pension at the age of seventy-one, or 11·06 of the total; 94 received the pension at the age of seventy-two, or 7·17 per cent; 69 received the pension at the age of seventy-three, or 5·26 per cent of the total; 52 received the pension at the age of seventy-four, or 3·93 per cent; 30 received the pension at the age of seventy-five, or 2·28 per cent; 92 received the pension who were from seventy-six to eighty years of age, or 7·01 per cent of the total; 56 were granted pension who were from eighty-one to eighty-nine years of age, or 4·27 per cent. Only four who were ninety years of age and upwards received the pension, and they constituted 0·3 per cent of the total. According to the Canada Year Book, there were 767,815 persons of sixty-five years of age and over in Canada in 1941. Those of seventy years of age and over numbered only 450,091 persons. These figures prove conclusively that the old age pension problem is not entirely in the group of those of seventy years of age and over but also of those of sixty years of age and over.

The Minister of National Health and Welfare gave sixteen methods by which the old age pension problem could be solved, and I wish to place these on record. Speaking in this house on June 18 on this very subject, the minister went on to point out the way in which the old age problem could be solved. I took the trouble to dissect from his speech these statements and I shall now put them on record. He said, as reported on page 4285 of *Hansard:*

> The measure which is being introduced today will make it possible for the provinces to increase by 20 per cent or more the assistance which has been given to date to this substantial section of our aged population. Where, because of outside income, pensioners have not been receiving the full pension, the increase which the provinces will be enabled to give under the new legislation will be even greater than 20 per cent.

The second suggestion for solution of the old age pension problem reads as follows. I quote from the words of the Minister of National Health and Welfare:

> It is estimated that when the provinces have taken full advantage of the increases in maximum income allowable for aged and blind persons which are permitted by this proposed amending bill, the result will be an increase in the pension rolls of something between 60,000 and 65,000 additional persons.

There again, Mr. Speaker, you will note that the minister endeavoured to push the

problem on to the provinces. I continue with solution No. 3:

If the provinces take full advantage of these new provisions, the provincial share of old age pensions under the act itself will advance from approximately sixteen million dollars to approximately twenty-three million dollars.

Solution No. 4:

It is proposed, in this amending bill, to do away with the provision which has been in the act up to the present time, section 9 (1), setting the maximum pension which any province is permitted to pay. Under these new amendments, therefore, the provinces themselves will be free to fix the maximum pension.

There again the minister endeavours to shift at least part of the weight of the problem of old age pensions upon the provinces. The fifth method for the solution of this problem reads as follows:

The practical effect of this will be that any province will be free, if it chooses to do so, to set a pension rate as high as $50 a month or $600 a year for a person who has no other income of his own with which to supplement his pension allotment.

Solution No. 6:

I have already stated that the department's estimate for this increase is about 60,000 additional pensioners, assuming of course that all the provinces will take full advantage of these higher income limits.

Solution No. 7:

In other words, a province will be assured that, on the basis of a pension of $30 a month, it will receive reimbursement from the federal treasury to the extent of seventy-five per cent of its net payments. At the same time it will be free to provide pensions higher than $30 a month if it deems it advisable to do so.

I do not wish to weary the house with these quotations, but I believe that in arriving at an explanation we must consider the statements made by the minister in the course of one speech. Solution No. 8 reads as follows:

By removing the pension ceiling and by increasing the federal contribution the government is, in fact, opening the way for the provinces to pay more than $30 a month.

Solution No. 9:

No bill which this parliament can pass can in any way affect what a province may do within its own constitutional jurisdiction.

Solution No. 10:

In summary, it will be apparent that the result of the present amending bill will be in effect to set a standard minimum pension of $30 a month in all the provinces, assuming, of course, that all the provinces will be anxious to take full advantage of the federal contribution. More than this, however, it will undoubtedly result in a number, and perhaps even a majority, of the provinces of Canada going beyond this $30 pension to set higher pension rates in their respective provinces.

Solution No. 11:

Nothing in the federal Old Age Pensions Act as it will be amended by this present bill debars any of these provinces from incorporating their present provincial supplements into their basic pension rates, and it is thought that the provinces already paying provincial supplements will, in fact, be encouraged to maintain their provincial contributions on at least the present basis.

Solution No. 12:

What this bill will accomplish, if the provinces take full advantage of its provisions, may be summarized in this way:

1. It does away with the provision limiting the maximum pension which any province is permitted to pay.

2. It establishes a basic standard pension of $30 a month to which the dominion will contribute and leaves the provinces free to increase the standard pension rate as they deem advisable.

I have only four more references in this regard. Solution No. 13:

What we do now must be consistent both with present need and the need of tomorrow. It must be consistent with what we are trying to achieve with the joint cooperation of the provinces.

Solution No. 14:

The measure which is today being placed before hon. members of this house for consideration has been deliberately designed to keep within the framework of the dominion's proposals to the provinces on assistance to the aged.

Solution No. 15:

The task of this government in cooperation with the provinces is to provide for the welfare of the nation as a whole.

Solution No. 16 and the last:

National programmes of such a broad and fundamental nature cannot be achieved in a country like Canada only by the central government. They can be achieved by all governments, dominion and provincial, acting in cooperation to ensure the greatest possible measure of well-being, economic security and social welfare for the Canadian people.

This present measure, representing as it does a joint cooperative effort of the dominion and the provinces, brings us one step nearer to the achievement of the objective that we seek.

Mr. Speaker, as I pointed out at the outset, my purpose in reading the statements which the minister made in the course of his speech was to show that the present position of the government is to shift a large part of this responsibility upon the provinces. Some of the ministers have gone so far as to say that it was the traditional policy of the government to recognize only a part of the responsibility for this problem and the provinces had to assume the rest.

I must congratulate the minister on his ability to put over his speech as well as he did. As a matter of fact, it did occur to me that had anyone else endeavoured to deliver the speech which the minister delivered the other

day he simply could not have covered the inadequacies of the bill as well as the minister did. Not only that, but he was successful in getting the provincial premiers and legislatures to bite. The very next day or the day after, the premier of Ontario came through with a grant that made up the difference between what the federal government contributes and the provincial contribution to make a total of $40 a month. As I said, some of the provincial premiers and provincial governments considered that they were taking advantage of a situation and felt it would be a popular thing to do, so they went ahead and said, "We will pay a certain amount."

The other day the hon. member for Fraser Valley read part of the same quotation I intend to read. The former member for Vancouver-Burrard, Mr. McGeer, did place the same quotation on *Hansard* once before, but in this connection it is important to point out the position which the party now in power held on this question and the position to which they have lately shifted. Reading the debates in *Hansard* of June 2, 1931, I find at pages 2260 and 2261, the following words in a speech delivered by the present Prime Minister (Mr. Mackenzie King):

> The Liberal administration fought for many years for an old age pension act, and care I think was taken to make it clear that an amendment to the British North America Act would be required before this federal government would have power to administer an old age pension scheme. It was recognized that an amendment to the British North America Act would take some time, and for that reason the government of the day adopted the method of agreeing to give these grants in aid to the provinces on condition that they would carry out a scheme framed by the federal government which would be similar in all the provinces.
>
> An hon. Member: A vicious principle.
>
> Mr. Mackenzie King: The principle, from a financial point of view, was unsound. I am quite prepared to concede that. But I will go a step further and say that, in my opinion, this parliament ought to remedy the unsoundness of the principle, not by discontinuing to vote money for old age pensions, but by assuming the entire obligation, one hundred per cent. This government should take over the whole scheme and itself pay out the money. That is the position that should be taken; that is the proper way to remedy what there is of unsoundness in the principle.
>
> Obviously the principle is thoroughly sound. I have always taken that position and have fought strenuously for it; and to get that principle recognized by parliament I was prepared to go so far as to support a grant in aid, which I am perfectly frank to admit was, from the point of view of financing, an unsound method. Now I say, let us recognize that the principle of old age pensions itself is perfectly sound and involves an obligation which the federal parliament should assume. Let us undertake to administer the Old Age Pensions Act from Ottawa and have all the moneys which are necessary for the payment of those pensions voted by this parliament.

[Mr. Hlynka.]

Now I ask you, Mr. Speaker, does that not prove conclusively that the government at the present time has switched around in its position on this question? That is plain enough. I mentioned that there were six disappointing features in the bill, six extremely disappointing features, and when the minister speaks in closing the debate I should like him to tell the house and the country how he would propose that persons between the ages of sixty and seventy should live, persons who have no income, persons who have no means of earning a single dollar. How does he, being responsible for this legislation, propose that these people shall get along? What has the federal government in mind for these people? That is what I should like to know, and I am sure the country would like to know it as well.

The second disappointing feature of the bill is that it fails to provide any assistance whatsoever for persons who, for reasons of physical infirmity, cannot earn a livelihood, regardless of age. The total exclusion of this group from any benefits under this bill is also nothing short of cruelty.

Mr. MARTIN: I am sure that, on reflection, the hon. gentlemen would wish to revise his language. When he considers the government's proposals to the provinces; when he realizes that the minister introducing this bill has given a good part of his life to this sort of thing, I would ask him to withdraw the word "cruelty." It does not represent what the hon. gentleman, on reflection, would wish to say.

Mr. HLYNKA: I do not wish to reflect in any way on the minister or, in a way, even on the government, because I know that the minister has done a good deal for these people even in presenting this bill to the house, but I would ask him to suggest to me a term which would adequately describe the fact that the government at this time refused to recognize any obligation for persons who are physically infirm and have no means of making a livelihood. Can he give me the right word?

Mr. MARTIN: My hon. friend knows that in the proposals which the government made to the provinces, proposals which were our policy in 1945 and every day since, have continued to be our policy, this government is prepared to bring in legislation once it can get agreement with the provinces on fiscal matters.

Mr. HLYNKA: Until we get into committee I do not wish to be putting questions to the minister, but I would ask him to tell us whether he would refuse to make provision for those persons who are physically infirm if the provinces do not enter into an agreement with the federal government. Will he refuse? Will this government sit tight and do nothing?

Mr. MARTIN: I will say at once that if we cannot get an agreement with the provinces I will certainly bring to my colleagues proposals to meet that very situation.

Mr. HLYNKA: I thank the minister for his kindness in this regard, because that is one serious problem which has so far been ignored. You see old men, crippled men, amputation cases, sitting on the sidewalks in every city of Canada begging. I think it is a disgrace to this country. Surely this government or any other government that is responsible for the care of these people should by now have granted some assistance to them so that they could live like human beings.

To go on from there, the third disappointing feature of the bill is that it does not lower the age qualification for blind persons to at least twenty-one and preferably to eighteen, when normally young people cease to depend upon their parents. The fourth disappointing feature is that the amending bill does not remove the means test, and finally the fifth criticism I offer is the serious shortcoming in the inadequate amount of the pension. Time will permit me to point out only a few of the more serious shortcomings, but I might say that, but for the minister's ability to cover up, by his oratory, the hopeless inadequacies of the bill, there would be sufficient reason for a nation-wide protest in connection with this legislation.

I had intended to place on record some of the resolutions which have been sent to us, and if time permits I may still do so. However I should like now to rush through a few of the suggestions I have jotted down. I must say that truly I did not expect a much better bill from the government at this time. In the past few years I have learned that these things are brought in ordinarily in such a way as to coincide with elections, and I realize that to grant all these benefits at this time would rather let people cool off by the time an election came along. So I quite appreciate that the government had to keep something in reserve for an eventuality which no doubt will come about. I do not blame them for it. They have made a great success; they have capitalized on this scheme, which has paid dividends to the party in power. But it seems to me that this question is too important to be used as bait in any election. It is a question which should be faced, regardless of where the member may sit in this house and regardless of his views. I believe this is one problem which must be approached from a humanitarian point of view. I regret that the minister's speech had a political tinge, as a result of which he brought upon himself a great deal of criticism which he could have avoided by refraining from his references to what the government did in 1927, and so on, though that is only a suggestion. I also realize that we are criticizing the wrong minister. The Minister of National Health and Welfare is absolutely innocent as far as any sins in connection with this problem are concerned. He is simply told by certain gentlemen, "You are going to have so much money at your disposal, and that is all." The poor minister has to make the best of it. The minister whom we should bring here to question about old age pensions is the Minister of Finance (Mr. Abbott). Better still, we should bring in some of the men mentioned by the hon. member for Restigouche-Madawaska, those who are responsible for our financial policies. I know the Minister of National Health and Welfare has a heart of gold; he is a personal friend of mine, but what can he do under this system? It seems to me that this problem should have been considered in some committee, where the persons responsible for our financial position could have been called and questioned.

Then I should like to mention two or three newspapers which have done immeasurable good in championing the cause of old age pensions. For instance, there is the Edmonton *Bulletin,* which I think has done more than any other newspaper in Canada in bringing this cause to the attention of its readers. Then we have the *Western Producer,* and we might also include the newspaper published by the Social Credit party. These newspapers have continuously brought this problem to the attention of the people; but until public opinion in Canada is sufficiently aroused actually to force the government to grant adequate old age pensions, in my opinion this problem will not be solved. I might also say that some of these cards which are being circulated are very good. Here is one which reads:

Mr. Prime Minister,
and Members of the Cabinet,
Ottawa, Ontario.

Sirs:

I wish to support the proposal that your government:

(1) Retire all women of the age of fifty-five years and men at sixty years of age, on dominion government allowance of sixty dollars ($60) per month and abolish the means test.

Mr. GIBSON (Comox-Alberni): Who is going to pay for it?

Mr. HLYNKA:

(2) Thirty dollars per month at 70 years of age is substandard and an insult to the pioneers. If your government gives no reduction in the pensionable age, and no increase in the pension to meet the advancing cost of living, if the means test is not abolished—you will get no votes!

That is plain speaking.

Do you want to do that for the voters during this session of parliament? If not, we must get new public servants in Ottawa who will respond to our needs.

Yours respectfully,

Mr. GIBSON (Comox-Alberni): Is he a taxpayer?

Mr. HLYNKA: The hon. member for Comox-Alberni (Mr. Gibson) has lately been gibing at members of this group when they speak on monetary matters. If he is inviting one of the social crediters to lock horns with him he will find someone to accommodate him, but it seems to me that nothing can be gained at this time, in a matter of this sort, by forgetting the old age pension problem and trying to prove something to the hon. member. If he refuses to agree with others, that is his privilege. If he refuses to learn these things, as the hon. member for Restigouche-Madawaska mentioned today, again that is his problem.

I understand that I have only three minutes remaining, and in closing I should like to put on record this resolution which was passed at the provincial social credit convention held in Edmonton, Alberta, on November 27 and 28, 1946:

7. Whereas the amount paid to the old age pensioners is inadequate, with the high cost of living; and

Whereas the majority of men and women reaching the age of 65 are obliged to carry on their work under much strain and with difficulty, while younger ones are available to step into their work with greater efficiency and satisfaction; and

Whereas those who are able to work will have their incomes adjusted by means of the income tax, thus abolishing the "means test;" and

Whereas there will be a feeling of social security which will be beneficial to the health and happiness of pensioners;

Therefore be it resolved that we request the dominion government to:

(1) Increase the amount of the pension to at least $50 per month.

(2) Lower the age to 60 years.

(3) Abolish the means test and said pension be put on a non-contributory basis.

That brings me to my last point.

Mr. MARTIN: May I just understand that last sentence? Did my hon. friend say the pension should be put on a non-contributory basis?

[Mr. Hlynka.]

Mr. HLYNKA: Yes. I just wish to say a word about the contributory pension being advocated in the house. If old age pensioners have to contribute, they could do so by taking out insurance policies with any insurance company, and of course receive the benefits when the policy matured. They could do that without any trouble, and they would not have to have the government do it for them. But where the problem arises is that these old age pensioners, throughout their lives, would be contributing their money, and not only supporting themselves but having to support an army of civil servants in addition who would be handing back to them part of the money they would contribute. Surely, as my leader pointed out when he spoke, when a Canadian citizen lives in this country and works for years and years he pays enough taxes to provide for himself a non-contributory old age pension in his declining years. He pays for it many times over. He pays for it in hidden taxes. He pays for it in income taxes taken from him. He pays for it on every hand the government can find. Surely that is sufficient.

The Social Credit group in the house is the only group which does advocate a non-contributory old age pension to persons at least from the age of sixty years upwards, and in an amount of not less than $50 a month. Others advocate a contributory pension. I do not say they have not the right to put their views before the house and the country, but I point out again it is our sincere view that our financial policy can be adjusted in such a way as to pay a decent and adequate old age pension to all the groups I have mentioned in the course of my speech tonight.

I do not wish to detain the house longer. But on this occasion I have touched on at least a few things which have been drawn to my attention by the people I represent. They have been writing letters to me and bringing the problem before me from time to time. I felt that the government was wrong, and that it should be pointed out that the government is now trying to shift responsibility to the provinces. That is an easy way of wiggling out of a situation into which they got themselves. I feel that these points should have been pointed out, and I thank hon. members for the attention they have given me.

Mr. GIBSON (Comox-Alberni): Mr. Speaker, I rise to a question of privilege. The hon. member for Vegreville (Mr. Hlynka), who has just taken his seat, made reference to myself. After listening to some of the arguments he has advanced, I am tempted to ask if there is a psychiatrist in the house.

Mr. QUELCH: If there is, you had better apply to him.

Mr. HLYNKA: On a question of privilege, just because I do not care for his gibes, the hon. member for Comox-Alberni has just used unparliamentary language and has made unkind reference to me. I ask him to withdraw his nasty remark. I think that this gibing at social crediters, and statements that they are all crackpots, and all the rest of it, has been going on too long. The time has come when some hon. members should be asked to withdraw those remarks and to respect others as others respect them.

The ACTING SPEAKER (Mr. Golding): If the hon. member for Comox-Alberni said anything offensive I am sure he will gladly withdraw it.

Mr. HLYNKA: He should.

Some hon. MEMBERS: Withdraw.

Mr. GIBSON (Comox-Alberni): Mr. Speaker, if you so rule, I shall be glad to do so. But I cannot see anything unparliamentary in any remarks I have made.

Mr. HUGHES CLEAVER (Halton): Mr. Speaker, the present amendment to the Old Age Pensions Act which we are now considering deals with such an important problem that I feel I need make no apology for taking the time of the house in an endeavour to convey to hon. members what folk in my riding think about the present old age pensions set-up.

However, before going into that, may I say in passing that it is amazing to me how some hon. members—and I do not exclude myself—will offer arguments on an entirely mistaken premise. The hon. member who has just taken his seat made a speech in which I suggest practically all the criticisms he offered were based upon misapprehension of what this bill proposes to do. That is most unfortunate. If I could have thirty minutes across a committee-room table with the hon. member who has just spoken I know that we would reach agreement. Yet he gets up in the house and makes all these criticisms, none of which, I suggest, has any justification in fact.

I do not say he did this intentionally; indeed, I do not think he did. But he entirely overlooked the fact that the present amendment to the Old Age Pensions Act is a temporary measure. It is a stop-gap, a bridge, if we may so express it, temporarily to take care of an emergency situation until necessary taxation agreements can be reached with the provinces. Surely we are not going to throw aside all the benefits which will flow from those agreements, when we achieve them, for a purely temporary matter at the present time.

The hon. member has entirely overlooked what the minister said in his opening remarks. He did not hide anything from the house. Here is what he said in his opening remarks, as they are reported at page 4283 of *Hansard:*

> What we do now must be consistent with the dominion government's proposals to the provinces. We have a plan and it is a good plan. What we do today must not in anyway prejudice the over-all plan.

What could be plainer than that? I would not be on my feet supporting the present measure if this were the final measure to be introduced by the government in regard to old age pensions. I would be on my feet, just as my hon. friend was, bitterly denouncing the measure. But it is not a final plan; it is simply a temporary measure to grant urgent and needed relief for the time being until we can achieve what we are seeking.

Some other hon. members have been even more extreme than the hon. member who has just spoken. The present amendment has been dubbed "puny", "peanuts", "mouse" and the like. All these statements show clearly that at least seventy-five per cent of the critics of the bill do not know its provisions. They did not take the trouble to listen to the minister, or to read his speech, if they were not in the house when it was delivered.

In the first place, as honestly as I can and as fairly as I can I want to convey to the house what my folk back home are thinking about old age pensions. I find widespread feeling, a positive demand, for social security. They want us to banish the fear that arises in men's minds as the result of old age, illness, unemployment and the like. They feel too that Canada is a wealthy country, that a country which made the magnificent contribution this country made in time of war can afford such a measure. They have no doubts on that subject.

There is another widespread feeling, just as prevalent as the one I have mentioned. They do not want charity; they do not want a dole; they want these things as a matter of right. They want to contribute to these different plans, to the health plan, to the old age pension plan and to the unemployment insurance plan. Canada did not reach her present proud position among the nations of the world by anything but thrift and hard work and courage. Our people are self-reliant people. They do not want the dole; they do not want charity; they want these things as a matter of right, and they

want to pay for these pensions in advance during the years that they are working and able to pay for them.

Another thing; my folk back home do not like the tangle we are in today. They are very critical of it. They say to me, "It is our money you are spending; it is our money the provinces are spending, not your money." It is money that we take from the taxpayers that we are talking about, and they do not like the present tangle we are in. Anyone, whether it be the premier of a province, a member of this government or anyone else who holds up the procession will have to answer to the voters of this country in the long run. I find that folk are determined that fear shall be banished from their lives, fear arising out of old age, ill health and the like.

I think we should take sufficient time to get all the different viewpoints and we should seek honestly for a solution. But in seeking for a solution I think the first thing we have to do is to face up to the facts even if some of them are unpleasant to me and to my hon. friends of the opposition. In the first place, I think we all agree that under our constitution nothing can be done in the way of a contributory health scheme or a contributory old age pension scheme without the concurrence of the provinces. I do not think anyone would dare to question that statement. That being so, the first thing we have to do is to reach an agreement with the provinces. That being so, let us have a look at some of the facts.

We all know that during the war the federal government, by agreement with the provinces, was given the entire taxation field in regard to income taxes and corporation taxes. The provinces vacated those fields. Why? Simply that we might make an all-out war effort. The scheme worked very well. No one was hurt. We came out of the war with the provinces all having surpluses. So I suggest that the provinces had no right to be suspicious of the proposals made to them by the federal government at the time of the dominion-provincial conference.

Let us have a look at those proposals for a minute. The reason I am bringing this up is that statements have been made across the floor of this house—the last speaker who spoke made it—that the government has gone back on its proposals. The bare making of a statement of that kind does not carry much weight, but it does arouse suspicion in the minds of the general public. I want to show if I can in all fairness that that statement is not factually correct.

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

Mr. CLEAVER: Yes.

Mr. HLYNKA: Does the hon. member agree with the Prime Minister's statement made on June 2, 1931, which I have just quoted, or does he say that the Prime Minister made a mistake then? What is the explanation for the Prime Minister's stand then and the government's stand now?

Mr. CLEAVER: When I extended to my hon. friend the courtesy of asking a question I was under the impression that his question would be directed to the point I was then arguing. I shall be glad to answer his question when I am through, but I do not intend to permit anyone—and I do not say this discourteously—to interrupt my line of thought. I do not speak often in this house, and I want to make my point because this subject is close to my heart.

Here are the federal government proposals. They proposed a general over-all post-war scheme. First, there was a public investment policy, a policy under which millions of dollars would be spent at the right time for the welfare of our economy. Then they proposed under social security a national health programme and outlined that in detail. Then they proposed a national old age pensions scheme and outlined that in detail. Then they proposed further unemployment assistance. For the purposes of the debate tonight I am just going to elaborate the national old age pensions scheme.

Briefly, the scheme was that the provinces would vacate entirely the field—it is their field—that they would voluntarily vacate it and that the federal government would assume full responsibility for the payment of pensions to persons seventy years of age and over; that $30 a month would be paid without a means test.

Just here may I digress for a minute? I do not think many of the speeches in this house have struck at the core of the problem. While it may not be the most serious feature of old age pensions, I think the biggest part of the problem is created by folk who have worked hard and saved a little money, who have a little bank balance and perhaps own their own homes. They want a pension when they come to seventy years to supplement their own earnings and to make the declining years of their lives pleasant ones instead of years of poverty. That is perhaps the greatest part of the old age pensions problem, although perhaps not the most pressing. That problem has not been emphasized at all in the discussion tonight and I just wanted to call attention to it.

The federal government offered that it would assume the entire cost of pensions of $30 to everyone whether they needed it or not. Everyone would get a pension of $30 a month at seventy years as a matter of right. Then, in regard to those in need, whether through illness, unemployment or otherwise, they would be taken care of at sixty-five years. That type of pension was to be purely a provincial matter; the provinces were to retain administration of those pensions, to which the federal government would contribute fifty per cent. Those were the government's proposals in printed form made to the provinces in August, 1935, and that is still the policy of this government. The Prime Minister (Mr. Mackenzie King), the present minister who is piloting this measure through the house and other ministers have stated repeatedly that that is still the policy of the government. I am not sufficiently conversant with the financial structure of the provinces or with the financial structure of the dominion to say who is right and who is wrong in regard to the proposals made to that conference. I do not know whether this government was too niggardly or whether Ontario and Quebec were too selfish. But I do say this, that two of the provincial premiers came to that conference with their minds made up.

Mr. FULTON: The whole dominion government had its mind made up.

Mr. CLEAVER: If my hon. friend will wait a moment I am going to quote chapter and verse. It hurts me to say this—and please don't smile—because on a question of this kind too many political fires have already been lighted in this dominion and I do not want to add fuel to the fire. But I am not afraid to face the facts. I say—and I say it advisedly—that two provincial premiers came to that conference in the wrong frame of mind. They issued press releases after the conference. I did not issue them; our Prime Minister did not issue them; the minister piloting this measure through the house did not issue them. This is what George Drew himself said about his viewpoint toward the conference. I am quoting from a Canadian Press dispatch in the Ottawa *Journal* of December 8, carrying this heading: "Drew won't be ruled by Ottawa". Then follows the dispatch:

Premier Drew of Ontario said today—

Listen to this:

—there is not the slightest chance that the Ontario government would sign a dominion-provincial agreement . . .

Mr. FULTON: That was after the conference.

Mr. CLEAVER: After the conference. Not the slightest chance! Now what sort of attitude was that for the premier of Canada's largest and wealthiest province to take?

Mr. FULTON: That was after the conference.

Mr. CLEAVER: After the conference. He was not the only offender. What did Mr. Duplessis have to say after the conference? But before I leave Mr. Drew, so that there will be no misunderstanding, my hon. friend across the floor by his interruption leads me to conclude that perhaps he thinks Mr. Drew made that statement because he was not satisfied with the terms. Is that right?

Mr. FULTON: I will answer at the proper time.

Mr. CLEAVER: The hon. member interrupted and I was just asking what was in his mind. He does not deny it, so I take it I am right. Mr. Drew went on to give his reason. He said:

. . . there is not the slightest chance that the Ontario government would sign a dominion-provincial agreement which would "centralize power in the hands of an incompetent government in Ottawa."

He was not complaining about the terms of the agreement. I hate to think he was thinking politically. He may have been offended that the federal government was going to take over full responsibility for this old age pensions scheme which would be so popular without a means test. I do not know what was going on in his mind. But I do know this, that he came to the conference and issued his own statement after the conference showing a frame of mind in which he was not prepared to enter into any dominion-provincial agreement with "an incompetent government" in Ottawa.

Mr. FRASER: He evidently told the truth.

Mr. CLEAVER: I was in hopes that what I am saying might have some effect on the hon. member for Peterborough West (Mr. Fraser), who has been listening, and I thank him for doing so. If I had him in a committee room I think I would get somewhere with him.

What did Mr. Duplessis say? This is from the Ottawa *Citizen* of December 18. It bears a Quebec dateline, December 18:

The government at Ottawa is trying to put the provinces under an oxygen tent, charged Hon. Maurice Duplessis, Premier of Quebec. He charged that the Mackenzie King forces were adopting the totalitarianism of Hitler and Mussolini, also Stalin.

What hope was there for the conference when two of the leading premiers came to it holding views such as these? I want to say to my hon. friends across the way that if they want to do something for the old folks of this country they can do something. Let my hon. friend the member for Eglinton (Mr. Fleming), who is an able and influential member of that party, and my hon. friend the member for Kamloops (Mr. Fulton) and others, go and have a talk with George Drew and persuade him to withdraw from that attitude that he will not under any circumstances enter into a dominion-provincial agreement. Then if he withdraws from that attitude, let these two provincial premiers state what they want. They have been asked by letters to state what proposals would be agreeable to them. They have not yet made their proposals. True, the Ontario premier made a proposal at the last conference that apparently he himself was ashamed of because afterwards he himself stated that we should not have taken him too seriously; he was willing to do better. Let them come along with their honest proposals and let us get together and have a proper contributory social security scheme for this country which can so well afford it. I say that we should make a real try for a dominion-provincial agreement.

I am now going to say something else, and I hope that offence will not be taken, but I think it should be said. Let us make a real try for a dominion-provincial agreement.

Mr. ROWE: Call another conference.

Mr. CLEAVER: I think my hon. friend was one of those who urged the calling of another conference and I want to say this to him. You do not call a dominion-provincial conference as casually as you ask folk in to dinner. There is a lot of work about a conference. Delegates have to travel long distances. There is a lot of expense and a lot of time spent. What is the use of calling two men to a conference after the statements which George Drew and Duplessis have made and which they have not yet recanted. What would be gained by calling another conference to have another failure?

Mr. FRASER: What they said was after the conference.

Mr. ROWE: They are now asking for another conference.

Mr. CLEAVER: I am wondering why George Drew made such an exorbitant demand at that conference. I can guess. Did he ever have any hope of its being accepted? Did he want an excuse for the conference to fail?

I come to my last suggestion, and it is this. I say, let us make every effort to reach an agreement with the provinces. Let my hon. friends across the way use their good influences with George Drew and my hon. friends here their good influences with Duplessis, and let us get together if we can.

Mr. ROWE: And you use your good influences with your leader.

Mr. CLEAVER: If we cannot get together I think, Mr. Speaker—and I say this advisedly —that the seven provinces which have reached agreements should march on to the goal they want. Ontario and Quebec should not be allowed to hold up the procession.

Mr. E. D. FULTON (Kamloops): Mr. Speaker, I had intended, in speaking on this bill, to make some remarks in closing in regard to the very matter which has been referred to by the member who has just resumed his seat (Mr. Cleaver) and to urge again that a dominion-provincial conference be called to discuss these matters and see if some measure of agreement cannot be found. I said I had intended to deal with that in my closing remarks, but in view of the line taken by the hon. member I think it would be more appropriate if I dealt with it at the outset. There are several things which the hon. member said which simply cannot be accepted. I should perhaps not say that they do not jibe with the facts, but I will say that they certainly are more susceptible of another interpretation than the one which he has given to them. In the first place, he called this bill merely a stop-gap measure. He said it does not reflect the permanent policy of the government; it does not reflect a departure from policy enunciated in the green book; it is only a stop-gap measure. If the bill is a stop-gap measure the speech of the hon. member certainly blew the stopper, because he showed again just how far this proposal falls short of the proposal put forward in May, 1945. He showed in his own speech just how desirable it is and to what extent the people of this country are demanding that all the provinces and the dominion get together to put these proposals or proposals like them into effect.

As I listened to the speech of the hon. member, it seemed to me that he was not concerned so much with making a contribution to the debate on old age pensions as he was to throw the onus for the lack of agreement, lack of the implementing of this policy, on to the provincial governments and particularly on to the governments of Ontario and Quebec.

Mr. CRUICKSHANK: That is where it belongs.

Mr. FULTON: In the course of my remarks I shall show that it does not belong there; that there is nothing standing in the way of implementing the proposals by the federal government as made in May, 1945. It is not any action taken by any province which prevents the fulfilment of these terms. The only thing which can stand in the way is a reluctance on the part of the federal government.

The hon. member who has just taken his seat made a great deal of the fact that Premier Drew and Premier Duplessis went back to their provinces and issued certain statements which, as he said, showed that they had had their minds made up and were unwilling at all times to sign any agreement with the dominion. In answer to the question which I asked him he admitted that these statements were made after the conference; they were not made before the conference. Both premiers, and particularly Premier Drew of Ontario, repeated on many occasions at the conference, and it was evident at the conference and can be found in the proceedings by anyone who cares to read them, that he had an open mind; that he was willing to discuss and discuss again the suggested proposals of the dominion. I think it is fair to say this, that the Premier of Ontario and certainly the Premier of Nova Scotia showed by their attitude that they were unwilling to sign financial agreements, to make financial arrangements involving them in certain obligations and in the surrendering of certain tax fields, before they knew just what final arrangements would be made with regard to social security and so on. In other words, they were unwilling to make financial agreements binding them for five years until they knew what responsibilities they would be called upon to assume. I see nothing intransigent in that attitude. It should be pointed out again that they made the statements referred to by the hon. member for Halton (Mr. Cleaver) after they left the conference, not before they came to Ottawa. I would ask him what the Liberal Premier of Nova Scotia said after he left the conference. He made statements quite as burning, more burning perhaps, than any made by the Premier of Ontario or the Premier of Quebec. He indicated that he would finally sign the agreement under protest. It would be interesting to know, whether the province of Nova Scotia has actually signed that financial agreement yet or not. Certainly there has been no announcement of the signing.

On this question of intransigence, of having your mind made up, I should like to refer hon. members and you, Mr. Speaker, to what the Prime Minister of Canada (Mr. Mackenzie King) said after the conference. I give him credit. I do not say that he said this before the conference; I admit freely he said it after the conference. In answer to a request made in the house by the leader of the opposition (Mr. Bracken) that the dominion-provincial conference be reconvened he said, "We have already indicated to the various provinces that in our view there is no point in reconvening the conference until the provinces have signed a financial agreement." He went on to say that all provinces have not yet signed and that, therefore, we are not reconvening the conference. Now, if we are to talk about having one's mind made up and taking an uncompromising attitude, there I think is the best example. He refuses to reconvene the conference to discuss all these matters which the dominion government says it regards as so important, until after the provinces have accepted the dominion's terms and sign the financial agreement. The two provinces which have indicated that they will not sign simply say, we will not sign a financial agreement committing us to certain responsibilities, taking away from us certain tax fields, until we know what is the purpose to be served by these agreements; until we know what we are getting, what we shall have to undertake and what the federal government proposes to undertake.

One statement was made by the hon. member for Halton with which particularly I think it is not possible to agree. He made it as a definite statement to which he said he thought all members would subscribe, that it is not possible to work out a contributory scheme of old age pensions or annuities without the consent of the provinces. I certainly do not subscribe to that statement. As far as I can understand it, there is no constitutional bar to the dominion government—

Mr. MARTIN: Has my hon. friend ever read the speech of Mr. Bennett on this very point? In 1927 he made a speech in this house on the subject.

Mr. FULTON: He may have made it; he is not here at the moment.

Mr. MARTIN: No; that is quite obvious.

Mr. FULTON: It is quite obvious. I certainly do not claim any of his qualifications—

Mr. ROWE: Your leader made a speech, too.

Mr. FULTON: The point is, that the dominion government has power to impose direct and indirect taxes. As far as I can recall it, there is nothing in the constitution

which imposes any limitation upon the manner in which the revenues from these taxes will be spent. There is nothing to prevent the dominion government from saying that a portion of your taxes will be set aside as a contribution to an old age pensions scheme upon which you will be entitled to draw when you reach the required age. It is not correct to say that such a scheme cannot be instituted without the consent of the provinces. It is merely another effort to place upon the provinces the whole onus for the failure as yet to implement the social security proposals.

It is not straightforward dealing with the Canadian people to tell them that the only reason these proposals are not put into effect is that there is not yet a financial agreement with the provinces. I am not arguing the case of Ontario and Quebec so far as their stand on financial arrangements is concerned, although I have previously said and still maintain that the correct method of getting agreements is, first, to discuss the objectives which we desire to accomplish and to agree on that. If you fail the first time come back again. Confederation was not achieved in just one try. Continue your discussions until you get a measure of agreement upon the objectives which you desire to achieve. Then, having that agreement, work out your financial details accordingly so that you can implement the agreement. That course was not followed at the conference because the conference took the course rather of financial bargaining, and it was on financial grounds that the conference fell down. But I wish to point out that the lack of a financial agreement is no bar to an old age annuity or social insurance scheme.

There are figures to support that contention. In the first place, as a result of the fact that two provinces have indicated that they will not sign, and by their not signing, the federal government is being saved—rather, not the federal government but the people of Canada are being saved—approximately $100 million a year; for, according to the figures given by the Minister of Finance in his budget speech, that is what it would cost the federal treasury to pay to Ontario and Quebec the grant which was offered in the latest proposals made to them. Second the great tax fields of personal and corporation income tax, which it was regarded as essential that the dominion should use exclusively, are as open now as they would be if all the provinces had signed, because Ontario, Quebec and Nova Scotia have not reentered these tax fields and therefore they are fully open to the dominion government to be used for the purposes of its own old age pensions scheme or any other social security scheme which it may envisage. Third, the government of Ontario is pressing and has pressed consistently since the breakdown of the conference on financial matters for a reconvening of the conference to discuss the social security and other measures involved. Actually it is too expensive for us to go on paying grants to seven provinces which have signed, without getting together and implementing a social security scheme, because those grants are costing $100 million a year more now without the social security scheme than the first proposals of the dominion government which included that scheme. This last figure is based on the statement of the Minister of Finance on page 1841 of *Hansard*.

Having dealt with the subject of dominion-provincial relations in its relationship to this question, I wish to come to the bill actually before the house and to outline what I regard as certain weaknesses in the present old age pension scheme now in effect and to be in effect when this amending bill passes the house. The first great lack is that it does not take any steps toward a contributory old age pension scheme. It is important to keep clear in our minds that the two things are quite separate. What this bill envisages is in no sense a contributory old age pension scheme, but I am sure that if we are to have a proper social security system in this country we must eventually arrive at a contributory old age annuity or insurance scheme. So that the first failure of the bill is that it takes no step in that direction.

Second, the bill continues certain of the unjustifiable restrictions and unjustifiable hardships present in the current old age pension system. It continues certain restrictions as to eligibility which impose tremendous hardships on applicants; particularly, the proof of continuous residence in Canada for twenty years, and the other provisions in that connection. These contain qualifications which it is almost impossible for many applicants for pension to fulfil or prove.

Third, the bill continues certain measures with regard to deductions from pension which will be made if the pensioner has a certain income, so-called, of his own, for instance, the rent calculated from property. This is not actual income received by the pensioner. It is only hypothetical income and is received only in the minds of the government or of the pension authority. If the pensioner owns a home the bill provides that he shall be regarded as if he received an income from it and he will be charged what they figure to be a reasonable rent for that home. This actually penalizes thrift and discourages good citizenship, because the person looking toward the

eventual receipt of a pension will find that he is better off if he parts with his home or does not build one at all. Surely it is not logical or proper to continue a provision which discourages a person from owning his own home.

Mr. MARTIN: Has the hon. gentleman read the regulations?

Mr. FULTON: Yes. I have read the regulations and that is why I have made this statement. I read them carefully, and the regulations say that a deduction will be made for things received by the pensioner in cash or in kind and mention specifically rent calculations on property occupied by the pensioner.

Mr. MARTIN: I will discuss that in committee.

Mr. FULTON: So will I. There is also a deduction for what he may receive by way of rations and quarters provided by his children, so that we have the situation that if the children do support the parent, the parent is penalized. In other words, the parent is better off if the children do not support him. I suggest that there be no charge made or account taken of this income, which is only hypothetical income, where the pensioner owns a house or is supported by his family and children.

Another weakness of the bill is that it continues the hard and fast rule as to the age limit. It sets the age limit at seventy. I have not the time to go into the details of the various suggestions as to ages which should be set as the limit before one can receive an old age pension, but it is important to point out that no provision is made here for any who are prematurely aged, as many are, before seventy, being unable to support themselves or to secure employment because they are burnt out. Persons of this type are left either to individual or to local charity, or else to starve.

The final objection which I think should be made at this time is as to the amount of the pension. The minister himself has indicated that he considered $30 a month not sufficient either for an old person or for anyone else. He so declared at page 4361 of *Hansard*. The hon. member for Winnipeg North Centre (Mr. Knowles) was speaking, and he said it was impossible to approve the suggestion that the old age pensioner could support himself on $30 a month. The minister replied that no one ever suggested that. I am glad the minister takes that view and agrees that no one can be supported on $30 a month. But if this bill is taken at its face value, the dominion considers that $30 is adequate, because actually the federal government only pays seventy-five per cent of a $30 a month maximum but leaves the province entirely responsible for bringing the pension up as high as $30 and solely responsible for raising the pension above $30.

In this connection I would refer to what the hon. member for Outremont (Mr. Rinfret) said in support of the measure. Speaking in this chamber tonight, he said that actually the dominion government was generous in making an increase of fifty per cent, by increasing the pension from $20 to $30 a month. I think that is typical of the length to which government supporters are driven in their efforts to justify the measure, because actually there are three facts, all of which show that that statement is inaccurate. At present the dominion government's contribution is not $20 but $18.75. It is now increased by the dominion to $22.50, or an increase of only $3.75.

Mr. MARTIN: My hon. friend is making a very good argument, but perhaps he will permit me to say a word just to show the relative proportions. When this bill is passed the federal government alone will be spending $68,000,000, as opposed to the present expenditure of $17,000,000 by provincial governments apart from provincial supplements.

Mr. FULTON: That is an interesting statement, I am prepared to admit, but I do not think it has any bearing upon the argument I am making at the moment, which is that the dominion government is not giving a lead in this matter and is not making the generous increase suggested by the hon. member for Outremont, because the increase is only $3.75 a month, which is twenty per cent and not fifty per cent. In the third place, the dominion government does not increase the pension to $30 a month, as stated by the hon. member. It is left entirely to the provinces to decide whether or not the pension will be increased to that amount.

I should now like to suggest certain improvements which I think should be made now, even before another dominion-provincial conference, in the old age pensions system as we have it in this country. From a review of the old age statistics available in Canada today, it seems that there is necessity for two things. The first is a scientific study of the whole question of old age and our approach to the problem; the second is a contributory scheme of old age insurance. Statistics show that ninety years ago the average life expectancy of a Canadian was forty years. This has increased until at the present time it is approximately sixty-five years, and information available indicates that in future the

average person will have a life expectancy of seventy-eight years. When one reads that, in the light of the fact that there are now some two hundred thousand people in Canada on old age pensions—

Mr. MARTIN: 217,000.

Mr. FULTON: —and that the number of people over the age of sixty-five more than doubled between 1900 and 1930 and increased by a further thirty-four per cent between 1930 and 1940, and when one realizes that there are now in Canada 768,000 people over sixty-five years of age and 460,000 over seventy years of age.

Mr. MARTIN: No; 539,000.

Mr. FULTON: I am giving the figures from the 1941 census. Then I think one realizes the tremendous financial burden it will be to this country to take care of this growing group of older people unless we have a sound approach to this question; and that, in turn, indicates the ultimate necessity of instituting a contributory scheme of old age annuities. I have disagreed somewhat violently with the hon. member for Halton (Mr. Cleaver), but with one thing he said tonight I agree completely; that is, that the older people of this country do not want these old age pensions to be charity. They want to contribute; they want to provide for their own old age, for their own requirements now and in the closing years of their lives.

The statistics I have given indicate further the desperate condition which will prevail if the welfare aspect of this question is not studied. Of the two problems, financial and welfare, perhaps welfare is as important as, if not more important than, the financial problem. If you consider the position of a senior citizen, surely it will be seen that it is bad enough to have the spectre of financial hardship looming over you when you reach the declining years of your life; but when, in addition, you have uncertainty as to whether your closing years will be of any use to yourself or to anybody else, whether you will be perhaps a trial and a burden to your family or to the state; when you have this spiritual and moral uncertainty, as well as the physical and financial questions looming over you, then the picture for our old people is pretty grim. I believe this emphasizes the need for assurance to these people of adequate housing, food and care; and perhaps most important, the provision of an adequate method by which they may train themselves to make full and proper use of the leisure time available to them and to do all these things without being a burden to any individual, to their family or their friends, and without being regarded as a burden on the state. Those who have experience in these fields are aware of, and have frequently emphasized, the independence of spirit of our older people. It seems to me that this is a tremendous asset which we should recognize and on which we should capitalize, so that instead of as at present, if I may use this phrase, the older people of Canada in large measure being a wasting asset, we should regard them as a tremendous potential asset capable of making a real contribution to the community and the country in which they live. If we make provision for them to train themselves not only to look after themselves, but to help the community in which they live, then we shall be rendering, not only to these older people, but to Canada itself, a tremendous service.

It seems that at the present time there are only two or three alternatives open to older citizens in this position. They may go into an institution, one of our old men's homes; they may be a burden upon their family or friends; or they may eke out their last years in loneliness, in single rooms or shacks perhaps as far away as they can get from the companionship of their fellow citizens. This, I am afraid, is where you find most of them. I believe this is partly due to the inadequate financial measures which have already been discussed, but it is perhaps also largely due to a lack of effective interest—and I repeat the words, effective interest—on the part of the country and the community, and a lack of leadership on the part of the dominion government. No effective approach to this problem has ever been made along the lines of helping these people, by training and encouragement, to work out their own arrangements for the closing years of their lives so that they may be lived where they have been accustomed to live, in the company of their families and friends, where they can continue useful work, making a contribution to the community and to the country, instead of being forced to adopt one of the alternatives I have outlined.

In closing this section of my remarks, I wish to draw one parallel, if I may. The problem of juvenile delinquency is recognized, and steps are taken to counter that threat to our national life. But juvenile delinquency is not inevitable. Old age is inevitable, and surely in itself that is an argument in favour of recognizing the problem and taking effective steps to meet it.

In conclusion, then, may I say that I feel there is no reason, merely because we have not yet reached financial agreement between

the dominion and all the provinces, why a large measure of the proposals of the federal government, put forward in May, 1945, cannot be implemented; and I have produced figures which substantiate that position. Even if that is not done, there are certain inadequacies in our present legislation which I have enumerated which could be cured. It may be that we shall not be successful in having any variation made in the age limit of seventy years, but I urge that when we get into committee the government accept the suggestion that some provision be made for those not yet seventy, but who are able to prove or who local authorities are able to show are otherwise completely unable to provide for themselves. I would call on the dominion government through the minister, whom I know to be intensely interested in this sort of problem, to provide some leadership; not necessarily financial leadership, but moral and spiritual leadership to provinces, communities, service clubs, women's auxiliaries, to take an effective interest in the problems of the old people of this country, so that they may be encouraged to live useful closing years, instead of the present bleak prospect which faces them.

Mr. A. M. NICHOLSON (Mackenzie): Mr. Speaker, I believe it is significant that several of the most effective criticisms directed to the bill have come from members sitting behind the minister. I refer to the speeches delivered by the hon. members for Vancouver North (Mr. Sinclair), Comox-Alberni (Mr. Gibson) and Fraser Valley (Mr. Cruickshank). While the hon. member for New Westminster (Mr. Reid) set out to support the legislation, he ended up by suggesting that in his opinion old people in Canada should not be expected to live on less than $50 to $75 a month.

In view of the criticism which has come from all parts of the house, I suggest that the minister and the cabinet, before we meet again tomorrow, should give serious consideration to the amendment proposed by the hon. member for Lethbridge (Mr. Blackmore), that pensions should be made available without a means test, that they should be made available at the age of sixty-five years, and that pensioners—

Mr. MACKENZIE: You would kill the bill, would you?

Mr. NICHOLSON: —should receive not less than—

Mr. MACKENZIE: That is what the amendment does.

Mr. NICHOLSON: If members of the government would agree that in this day and age citizens of Canada should not be expected to live on the amounts proposed by this legislation—

Mr. MACKENZIE: We want to know how you stand, whether or not you would kill the bill.

Mr. NICHOLSON: I realize that hon. members who have been critical of the bill are in an awkward position. We do not want to be in the position where we are going to take away from people anything which might be offered by the legislation.

Mr. MACKENZIE: That is what you do when you support the amendment.

Mr. NICHOLSON: Before I conclude, I believe I shall prove to the house that the proposal made by the hon. member for Lethbridge does not impose any great strain upon the resources of this great country.

Mr. MACKENZIE: That has not anything to do with the matter at all. It would kill the bill.

Mr. NICHOLSON: I should like to proceed.

Mr. MACKENZIE: Well, see you vote for it.

Mr. NICHOLSON: I would remind the house that the dominion government recognized in 1945 that the whole legislation should be overhauled. At page 37 of the proposal of the government of Canada, there is a comment to the effect that pensions vary from $18.63 in one province to $29.41 in another.

Generally speaking, the need for pensions, as might be expected, is greatest in those provinces which are least able to finance such payments out of local revenues. I submit that the speech of the minister who is piloting the bill through the house did not serve a useful purpose in trying to bring the different provinces together to work out with the federal government a programme to provide more adequate provisions for our older citizens.

Mr. MACKENZIE: May I ask the hon. member humbly: is he in favour of the bill, or is he opposed to it?

Mr. NICHOLSON: Mr. Speaker, I think I made it clear that I should not like to vote against giving an old age pensioner the extra $60 a year that is proposed.

Mr. MACKENZIE: What is the amendment, then?

Mr. NICHOLSON: I believe that the provisions made by this bill are quite inadequate,

and I shall submit some evidence which would indicate that we can do a great deal better than we are doing.

The dominion's proposals also mentioned that the means test is generally recognized as undesirable after a certain age. I am sure the minister should listen to those who are sitting beside him and who have been most critical of this disgraceful procedure in this day and age.

Mr. MARTIN: Be careful of your words, if you wish really to achieve social security.

Mr. NICHOLSON: I am drawing attention to the government's proposals where it is stated that "the means test is generally recognized as undesirable after a certain age".

Mr. MARTIN: And that is still our view.

Mr. NICHOLSON: They state:

> The minimum age of 70, though convenient as a dividing line with respect to the payment of any kind of universal old age pension is nevertheless too high in a number of cases of actual need.

But the legislation still leaves the age at seventy, and still continues the means test. The majority of citizens in our country will not be able to have a decent standard of living, in view of rising costs. I would remind the minister that, now that agreements have been reached with seven of the nine provinces, there is no good reason why we cannot proceed to implement those proposals. I would remind the house that it was British Columbia which first signed an agreement with the federal government to provide old age pensions. That was done first on September 1, 1927. Saskatchewan followed in the following year, and Manitoba came next. Alberta was fourth. Quebec did not take advantage of the legislation until August, 1936, nine years after the citizens of British Columbia took advantage of old age pensions legislation.

If the dominion government was serious in its proposals of August, 1945, then I say it should proceed to carry out its proposals to those provinces which are prepared to go along with the government.

Mr. MARTIN: I assure my hon. friend once and for all that we are sincere and serious about those proposals. He need not say any more about that.

Mr. NICHOLSON: I wish the minister had made that clear when he introduced the bill.

Mr. MARTIN: Certainly I made it clear in my statement. If the hon. member would only do me the honour of reading my statement, whether he agrees with it or not, he would find that I clearly stated that we have not for one day since August, 1945, relented from that position. And the Prime Minister (Mr. Mackenzie King), in his telegram to Mr. Douglas, the Premier of Saskatchewan, stated clearly that as soon as we get sufficient acceptance we are prepared to call a security conference to deal with all our proposals, which lend to the general objective of social security.

Mr. NICHOLSON: I must remind the house that the bill before us does not indicate that the government is serious about the proposals. The pensions are still inadequate. We still have the means test. Pensions are not payable until the age of seventy.

Mr. MARTIN: Does the hon. member understand the proposals? I do not think he understands them, when he says that.

Mr. NICHOLSON: The minister made his speech at the beginning of the debate and he will have a chance to make another later on.

Mr. MARTIN: But I have been sitting here for four hours, and naturally I am becoming a little impatient. However I am sorry I interrupted.

Mr. NICHOLSON: The minister's backbenchers have been even more critical than some hon. members on this side. I suggest that, in view of that criticism, the cabinet should give this matter further consideration before we meet again tomorrow.

During the debate there have been some comparisons made with respect to social security legislation available in Canada and that available in other countries. I find that we are backward in providing for our old people, our invalids and the blind. I call as one of my witnesses the former member for Vancouver-Burrard who now sits in another place, and is also mayor of Vancouver. Speaking in this chamber on July 24, 1943, the then member for Vancouver-Burrard compared old age pensions in Canada with those in Australia. He said that if we were paying in proportion to our population the same amount as Australia is paying we would be paying out $146 million a year. A few minutes ago the minister interrupted someone by pointing out that this year Canada proposes to pay $68 million. But the member for Vancouver-Burrard at that time said that Canada was away behind Australia.

Mr. MARTIN: Not now.

Mr. NICHOLSON: The minister did not give us up-to-date figures when he was discussing the matter. New Zealand, Denmark, and Sweden have made adjustments to meet

fluctuating costs of living. We in Canada have not taken steps in that direction. But I wish to proceed with my argument that Canada can do a great deal better than the minister is proposing in the bill.

Mr. MARTIN: I do not like to interrupt, but it is important to say that when this bill becomes law there will be no country, with the exception of a few states in the United States, where the monetary benefits will be greater than those in Canada.

Mr. NICHOLSON: The minister is just not going to be able to convince the old age pensioners in Canada that that is good enough. I am proud to be a Canadian and I do not wish to live anywhere else, but when one considers what Canada did during the war, our proposals now for our old age pensioners are simply not good enough. During the war Canada was able to make gifts of over $2,000 million, to Great Britain, and we were able to make gifts—

Mr. WARREN: What is wrong with Saskatchewan coming across and doing the same thing?

Mr. NICHOLSON: I wish hon. members who are interrupting me would use their own time to speak afterwards. It is difficult to hear their comments. What my hon. friend may wish to say about the Saskatchewan government can be said in his own time.

Mr. WARREN: My question is quite simple.

Mr. NICHOLSON: I should like to proceed with my argument.

Mr. WARREN: I should like an answer.

Mr. DEPUTY SPEAKER: The hon. member who has the floor cannot be interrupted without his consent.

Mr. NICHOLSON: Thank you very much, Mr. Speaker. During the war the people of Canada gave to Russia $167 million worth of equipment; we gave to New Zealand, $15 million worth; to India, $18 million; to France, $25 million; to China, $39 million, and to Australia, $91 million. I am not complaining about those gifts, because I supported Canada's mutual aid programme enthusiastically during the war, but I contend that if we were able to make that sort of contribution toward victory we should do better now than to expect our old people to live on $30 a month.

Mr. WARREN: I did not get an answer regarding Saskatchewan.

Mr. NICHOLSON: The hon. member may make his speech following mine and I shall be glad to answer his questions. We gave to the United Kingdom 196,961,000 pounds of cheese, 9,979,000 pounds of butter, 566,000 cases of milk, 907,000 cases of eggs, 29,403,172,000 pounds of bacon and so on down the list. In addition, we were able to create for ourselves a higher standard of living than we had ever before enjoyed in the history of the country.

Unfortunately our old age pensioners were unable to take advantage of the improved business conditions in Canada. Their incomes were fixed; their cost of living went up, and actually they were compelled to live on less food than they were getting before the war. The last issue of the *Canada Gazette* contains statistics in connection with the rising cost of living. I find that the cost of food is up fifty-six per cent this month as compared with the pre-war period. I find that stewing beef is up ninety-one per cent; lard is up 141 per cent; shortening, 115 per cent; butter, 64 per cent; prunes, 74 per cent, and corn syrup, 81 per cent. Consequently the old age pensioners of Canada are compelled to get along with less butter, less bacon, less milk, less cheese and less bread. When we exported such huge quantities during the war, why should we, as we enter the post-war period, tell our old people that they will have to tighten their belts even further?

Just today the Prime Minister announced that Canada is going to give $20,000,000 as a contribution toward the post-UNRRA programme. The leader of this group spoke for all of us when he said we were for that. How is it that Canada is able to give $20,000,000 on the announcement of the Prime Minister, and we are prepared to give only $20,000,000 to supplement the incomes of our old age pensioners?

Mr. MARTIN: This will cost more than $20,000,000.

Mr. NICHOLSON: The minister said the other day that this would cost the federal treasury about $20,000,000 more.

Mr. MARTIN: We shall be spending almost $100,000,000 this year on old age pensions.

Mr. NICHOLSON: I should like the minister to correct me if I am wrong when I say that he said the other day that this proposal would cost the federal government about $20,000,000.

Mr. MARTIN: An extra $20,000,000 for this year.

Mr. NICHOLSON: That it will cost the federal government around $20,000,000 more than we are spending today.

Mr. WARREN: May I ask the hon. member a question? Is there any reason—

Mr. NICHOLSON: I have asked the hon. member to withhold his questions until I have finished. What the old people want is a share of the current production of Canada. They want butter; they want eggs; they want shelter, and they want fuel. We are denying them the necessities of life, because the cost of living is increasing so rapidly that the pensions we are now paying actually do not provide the old age pensioners with as high a standard of living as they had before.

Mr. WARREN: Will Saskatchewan do what Ontario and British Columbia are doing?

Mr. NICHOLSON: I would appreciate it if my hon. friend would withhold his questions. He can say anything he wants when I have finished. I should like to ask the minister how he comes to the conclusion that $30 or $32, $33 or $38 or $40 will provide an adequate standard of living for elderly people.

Mr. MARTIN: The hon. member will recall that in answer to the hon. member for Vancouver East I said that $50 was not enough.

Mr. MacINNIS: Let us make it $50.

Mr. NICHOLSON: I should like to be permitted to conclude my speech. Canada has been most generous to some of her citizens. I mentioned that our standard of living was higher during the war than during any previous period in our history. I have here the statistical summary of the Bank of Canada, and on page 48 there will be found a table showing the net income to stockholders in the industrial classification. If you compare the net income received in 1938 with that received in 1945 you will find that in the case of grain mill products their position improved from $0·2 million in the red to $2·6 million in the clear. Those in the food industry improved their position from $8·5 million to $12·2 million. Those in the drink business improved their position from $5·8 million to $12·3 million. The tobacco industry did not fare quite so well, but the pulp and paper industry improved their position from $0·3 million to $15·8 million, and so on down the list. It will be found that industrial concerns in Canada greatly improved their position during the war.

At my request, certain sessional papers were brought down showing just what the government is doing with regard to the payment of pensions in some of the departments. I suggest that the Department of Justice is the department in which citizens of this country should seek to find employment if they wish to have adequate pensions for their old age. I find that eighty-two pensioners listed by the Department of Justice are getting pensions totalling $372,397, or annual pensions of $4,541. I might point out that these pensions are paid without any means test; there are no questions asked as to whether there are children who are able to provide support, whether you have stocks or bonds and so on. When those eighty-two citizens receive $378 a month without a means test I find it difficult to understand how 200,000 citizens of this country can be expected to get by on $360 for the whole year.

In conclusion, I wish to say that Canada has done many things of which we are proud. "Canada from Sea to Sea" states:

> Land, climate and people are generally recognized as the chief elements in making of a nation. What the people do with the land and its resources, helped or hindered by climate, makes the country's economic history. How they organize their united strength for freedom and security makes their political history. Social and cultural development can be measured by the extent to which people master their environment and build on the traditions they have inherited.

It also mentions that about thirty per cent of our vast output of raw materials was allocated to our Canadian forces during the war. It says:

> Almost overnight Canada was transformed from a producer of food and raw materials into one of the world's major manufacturing nations.

It mentions that Canada leads the world in the output of newsprint, nickel, radium, platinum and asbestos, and ranks second in woodpulp, aluminum and gold, and that sufficient Canadian wheat is grown annually on Canadian farms to meet the normal bread requirements of 92,000,000 people. It goes on to say:

> During the war Canada supplied the United Kingdom with 72 per cent of its bacon, 52 per cent of its wheat, 35 per cent of its canned fish and a quarter of its cheese. Canada stood fourth among the United Nations in total war production.

Let me remind the house that Canada gave of these riches to help feed people who were fighting for our liberty, and all I ask now is that we should give of our surplus so that the elder citizens of this country will not have to look forward to the years ahead with fear and dread, but we should see that they get enough food to eat and enable them to obtain warm clothing, medical services and adequate shelter.

Mr. JEAN FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, I have just a word to say about this old age pensions scheme. It seems to be taken for granted that all those who receive the old age pension are needy

cases, which is untrue. It is untrue, because the old age pension is paid partly from Ottawa and partly from the provinces, and it is administered from the provinces. Therefore the management of the old age pensions scheme gives no chance to the taxpayer. It is a question of patronage now, as it has always been.

I am all for assisting the needy people who have become old. They are entitled to the help of the state when they cannot rely on their next of kin for support. According to the civil law of the province of Quebec, which is in conformity with the natural law, the law of both the Old and the New Testaments, the children have to look after their parents. The province of Quebec did not ask for this legislation. After I had been admitted to the bar, I remember very well that the cases of parents who had to take action against their children for support were very few. As a rule, the parents were supported by their own children. When the old age pensions scheme was put into force, owing to some negotiations between the Liberal party and the C.C.F. party, the province of Quebec was shocked; but after the old age pension started to be paid, conditions were different and everybody wanted to get it. Everybody said: If Tom has that pension I do not see why I should not have it. The people were spoiled. At the present time there are people who are well off who transfer their property to their children in order to draw the old age pension. Is that fair to the taxpayer?

I agree with everything that has been said in favour of helping the old people who are needy, but I do not think the taxpayers are very strong for paying pensions to those who transfer their property in order to receive a grant from the state. The purpose of the pension is to assist those in need who have attained a certain age, seventy at present, and to assist the blind who have reached the age of forty when they have no other means of support. That is so much the case that pensions are not paid at the same rate. There are people who receive only $10; others receive $15, and others, $20, when they have an income from some other source. It is unfair to the taxpayers of this country to pay all those who have reached a certain age on the same basis. Why is not a survey made of those who now receive the old age pension? Let it be a survey made by independent people who are outside of political influence and who will decide if this man or that woman is entitled to the old age pension, whatever the age may be, if he or she is no longer able to work and make a living. A survey should be made of all those who receive the old age pension. I know that would be most unpopular amongst those who receive the old age pension and are not entitled to it, but it will be a popular measure with the great majority of the population of this country. I suggested that a similar survey be made some time ago in regard to those receiving a pension from the first great war. The amount that was paid out in pensions on the eve of the last war for disabilities incurred during the first war amounted to nearly $35,000,000 a year. It was a scandal. The only thing to do was to make a survey, and I suggested that but I had no success.

The time has now come when a distinction should be made between those who are needy and those who are not needy. Of course there will be tears shed in some quarters if that is done, but it is the proper thing to do. I challenge any hon. member to repeat what I have said in his own constituency and I am sure he will soon realize that the majority of his constituents will support the suggestion I have just made, excepting perhaps the city of Vancouver. But I know that everywhere else the suggestion will be well received by the taxpayers.

There is something else. How is it that the old age pension is paid to old men who are not needy when those who are needy do not receive it because they have not attained the age of seventy years? It is not a question of paying old people because they have reached the age of seventy years. That limit is absurd. Here in Ottawa all civil servants are superannuated at sixty-five and there is a gap between sixty-five and seventy. It is not a question of paying old age pensions at seventy. It is a question of paying old age pensions to those old people who deserve the pension. Old age is something that is relative. Some people at seventy are younger in appearance and perhaps in health than others at fifty. But suppose the limit is put at sixty-five for the neediest cases, those which should be supported by the state. At the present time one-half of the pensions are paid to people who do not deserve them, while the other half who do deserve the pension do not receive it. How can we pay old age pensions to undeserving people when nobody looks after those who suffer from infirmities if they have not reached the age of forty and are blind or if they have not reached the age of seventy? I know many people who have no assistance whatever from the state and who need that assistance very badly. I do not suggest that no more expenditures should be made with regard to old age pensions, but I might quote to the minister countless cases

of people whom I know personally who are entitled to old age pensions due to their disabilities or infirmities and who cannot get them because they have not reached the age of seventy or because they are not blind at forty. That is a story which is common knowledge to all. Therefore, sir, one must realize that reform is a very difficult thing. It requires determination, good will and honesty of purpose. It is very difficult indeed and takes a long time to be accomplished.

Of course, if some hon. members agree that a survey should be made, after a selection, an honest selection, a fair selection between the needy cases and the other cases, everybody will realize that it is a hard thing to do. Once more what will be considered will not be the need today but what is to be done to please. That is that. The aim is not to accomplish one's duty; the aim is to please the largest possible number. Well, if it is the definite purpose of the government to please the largest number of people they are bound to make that survey; they are bound to complete it after a selection, and they have to decide not to pay any longer pensions to those who have received it as a pure gift or a bribe without being entitled to it, and to use that amount to fill the gaps and to help those who are really in need. I hope that is clear enough.

I shall make another suggestion to the minister. It is impossible to pay pensions from the cradle to the grave to all persons in Canada. But in a society, in an organized state, support must come from the state to those who cannot get it otherwise. There should be a campaign of education to teach the people the purpose of old age pensions. It is to help those who cannot get any help otherwise. I will tell you more than that. I said at first that the contribution to the provinces is necessary because the provinces have no means to pay the old age pensions alone, but the management of old age pensions by the provinces was a mistake, as it should be by the municipalities themselves.

I have been informed that in some western provinces no old age pension is granted unless it is approved beforehand by the municipal council. That is one thing, but I will go one step further. Since the municipal administration is the closest to the people and since the taxpayers have the opportunity to judge if the money is well spent or wrongly spent by the municipality, there should be in each municipality a list of those who receive old age pensions. If such lists were posted at the entrance to the city hall in each municipality, I am sure, that the effect would be magical, and there are many people who would be ashamed to consider any longer the acceptance of any grant of old age pensions.

I do not want anyone to conclude from what I have said that I am opposed to old age pensions; far from it. The thing is now on the statute books and we cannot dispense with it. This is the danger of social legislation. When the people have tasted something like this it is impossible as a rule to deprive them of the whole thing. But the matter can be settled in accordance with the very high principle of justice, fairness and honesty to which I have referred, and the people will appreciate the fact that pensions must be paid only to those who are entitled to them on account of sickness, disability and poverty. lack of support, and the fact that they are alone in the world. When a man or a woman is alone in the world the state must come to his or her help, because he or she is one of us and we cannot abandon them on the road.

These are a few considerations that I have wanted to make for a very long time. It is high time to come to our senses and not to practise "electoralism" with matters such as old age pensions. What is "electoralism"? It is spending the people's funds without a useful purpose and just to please or appease a certain category of people. At the present time we are pleasing the old; it is all right; I have respect for the old. My best friends were very old people who were very kind to me and whom I shall never forget. I have respect for the old; I am ready to assist the old, but I think it would be an insult to offer crutches to an old gentleman who is able to walk and that is why, sir, I shall not insist any longer on it. I think I have made my position clear. I sincerely believe that if an independent and honest survey were made of the whole question of old age pensions one would realize that in many of the cases these pensions are a waste of money because they are given to people who do not need them. I believe it is absolutely absurd to put all the old people in the same category. It is unfair to them, and if it is accepted by them it shows how low our population has fallen, but I do not believe it. If hon. gentlemen who are not convinced of what I have said received the complaints, the just and fair complaints, that I receive from people who will not be allowed to receive anything under this scheme and who deserves it more than the old Croesuses who get it they would change their mind immediately. It is not because I have a heart of stone that I have spoken as I have done.

Mr. MacNICOL: The hon. member has a warm heart.

Mr. POULIOT: I thank my hon. friend very much, and I can pay the same compliment to him for whom I have the deepest admiration.

We have reached the time when we cannot bribe the old by giving old age pensions that they are not entitled to get while others deserve pensions that they cannot get. There should be an adjustment, not on a basis of age, but on a basis of need, and that is what I wanted to say. I thank the house very warmly for the kind reception that was given to me when I made these remarks, and I hope again that the hon. gentlemen who have listened to me so closely will think about what I have said. If they do, they will realize that I was not in the wrong when I came down to brass tacks to improve the old age pensions scheme.

Mr. SPEAKER: I will now give my ruling on the amendment moved by the hon. member for Lethbridge (Mr. Blackmore) and on the point of order raised by the Minister of Veterans Affairs (Mr. Mackenzie). The amendment moved by Mr. Blackmore reads:

That Bill No 339 be not now read the second time, but that the same be referred back to the government for their earnest consideration of the following provisions:

(a) Reduction of the pensionable age to not more than 65 years.

(b) Increase in the general pension to not less than $50 a month.

(c) Complete abolition of the means test.

I would direct the attention of the house to the language of the motion, that the bill be not now read the second time but that the same be referred back to the government for their earnest consideration. An amendment to refer a bill back to the government is an expanded negative, if you consider that the government is the sponsor of the bill. The house may, after second reading, decide that the bill be referred to the committee of the whole and it may, in certain circumstances, refer it to a select committee, but there is no precedent of a bill having been referred to the government, which in the present case is not only the sponsor of the bill, but moreover is not a parliamentary agency. Hon. members know that when a bill has been introduced in the house the bill becomes the property of the house. It is the privilege of the house to refer a bill to the committee of the whole, to a standing committee, to any agency of parliament; but it is out of order since the bill is the property of parliament, to refer it to an agency which is not a part of parliament. The amendment offends all principles of parliamentary procedure and cannot be moved. I would go farther. In my humble opinion, if it were the privilege of members of the house to move that a bill be referred to the government, it would be also the privilege of any member to refer a bill to one of the parties sitting in this house. If a bill could be referred to the government, I think it could be referred to the Progressive Conservative party or to the C.C.F. or to the Social Credit party. I have therefore no hesitation in declaring the amendment out of order.

On motion of Mr. Herridge the debate was adjourned.

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

Wednesday, June 25, 1947

The house met at two o'clock.

INDUSTRIAL RELATIONS

CHANGES IN PERSONNEL OF STANDING COMMITTEE

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs) moved:

That the name of Mr. Jutras be substituted for that of Mr. Dechene on the standing committee on industrial relations;

That the name of Mr. Beaudoin be substituted for that of Mr. Gingues on the standing committee on industrial relations;

That the name of Mr. Lafontaine be substituted for that of Mr. Pouliot on the standing committee on industrial relations.

Mr. JEAN FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, I appreciate the fact that the Quebec whip, the hon. member for Dorchester (Mr. Tremblay) asked me if I insisted upon being on the committee, and pointed out that the members serving on the committee would have to be always punctual. I do my best to attend the sittings of the house as regularly as I can; in that respect I am sure my colleagues will admit I do my best.

I should like to sit on the committee on industrial relations, if the sitting of a member on the committee would serve any purpose. But I do not see that anything has been changed by the expression of views of any member who has served on a committee. Moreover, the legislation to be submitted to the committee—I have received notice for a sitting this afternoon at three o'clock—is most contentious and of a dangerous nature. It is the open door to communism through international labour organizations.

Those who enjoy trips to Geneva, to New York and to labour conventions anywhere else in the world may find it wonderful. But there are communists who belong to and who control labour organizations in France and other countries. They will mix with our people.

The fact that labour organizations are becoming more internationalized than ever is a menace to Canada and to the whole world. Some labour leaders think highly of international organizations. I believe in the right of labour men to unite; but I do not see why labour men should be controlled by outsiders, by foreigners, who implant communism in such international organizations, with the purpose of domination of all labour men by communism.

I stand against that; I protest against it. This is a warning. I know very well that if I had said this in a meeting of the committee I would have been given the cold shoulder by the Minister of Labour (Mr. Mitchell) and by all those who believe in such international organizations and who place a premium on increasing bureaucracy at all times. All the parasites of Geneva will move to New York; they will be with big I.L.O. leaders like Jouaux, the French communist, and countless others from all over the world.

Motion agreed to.

SUGAR

STATEMENT WITH RESPECT TO SUPPLY—INCREASE IN RATE OF RATION

Hon. DOUGLAS ABBOTT (Minister of Finance): Mr. Speaker, in response to requests made in this house recently I should like to make a statement on our sugar supply situation. Hon. members will recall that in my statement to the house on March 12th I said that the world sugar supply had been improving and that probable supplies available to Canada would be of the order of somewhere between 80 and 87 pounds per capita refined basis. That statement was made before any of the main sugar crops had been harvested. As a result of unusually fortunate climatic conditions the output of sugar from the current Cuban crop has considerably exceeded expectations, and instead of the estimated 5½ million tons, it seems likely to reach almost 6½ million tons. The international emergency food council has, therefore, been able to increase its allocations to participating countries. Canada's share of this increase is 22,000 tons of raw sugar. After adjustment for year-end carry-overs our total allocation for 1947 has been set at 626,000 tons.

Sugar supplies however must be thought of as a continuing flow and we have, therefore, had to give careful thought to the prospects for 1948. In this connection we have had the benefit of consultation with our British and American colleagues and with other experts in the sugar trade. Our conclusion is that we cannot expect, and should not count upon a recurrence in 1948 of the phenomenal 1947 Cuban crop. The balance of probabilities is that the 1948 Cuban crop will be a good crop in comparison with normal, but could easily run one million tons below this year.

World production of sugar in the year ended August 31, 1946, was about 3½ million tons below 1939 production. During the year ending August 31, 1947, world production should approximately equal the last pre-war year; but over a long period of years world sugar consumption has increased on an average by more than half a million tons per annum, so that under normal conditions world production would still be about 5 million tons short of demand. However, lack of purchasing power in Europe and Asia and the situation with regard to dollar exchange may very well reduce effective demand in these areas. Against this there are no invisible supplies in the western hemisphere and it remains to be seen what effect decontrol of sugar in the United States may have. It may be a year from now before this can be accurately judged.

At the time of my previous statement on March 12 it was anticipated that there would be an increase in Canadian production of beet sugar. It now appears that on account of abnormal weather conditions we may look for some reduction.

The conclusion we have reached is that while 1947 probable supplies seem likely to make possible the distribution of some seven or eight additional pounds of sugar per capita during the balance of this year, it would be prudent in the light of all conditions to plan for a greater than normal carry-over into 1948. The consumer's sugar ration for 1947 was increased by three pounds on April 1 and in effect by a further three pounds on June 9 through the de-rationing of jams, jellies, marmalade and honey. We now propose another increase of three or four pounds during the second half of this year. Two additional coupons will be declared valid in August and one or two late in November. At the same time we shall advance the industrial ration by ten points in each industrial category, which will put the basic industrial quota at ninety per cent of 1941 usage. Since the third quarter industrial quotas have already been distributed, the additional ten per cent will go forward as a supplementary quota during the latter half of July.

As hon. members know, the United States terminated its household sugar ration two weeks ago but has retained in full force its industrial ration. Our considered view is that we should not follow that example in Canada. The main purpose, indeed I might say the

sole purpose of rationing is to ensure fair distribution at fair prices to all sections of the country and to all classes of consumers, whether household or industrial. Canada is a country of very great distances and in many sections is characterized by a rather thinly scattered population. Large industrial users of sugar are chiefly concentrated in a few areas. If sugar were de-rationed, ordinary business judgment might well lead most of these large industrial users to stock up heavily and such heavy restocking could absorb very large quantities of sugar, which in turn would almost certainly lead to disorderly distribution and spotty shortages creating acute local embarrassment in many parts of the dominion. Our system of rationing is such that we cannot de-ration one class of consumer without opening up large gaps and loopholes in the system which would rapidly undermine it.

Our conclusion is that it is in the general interest, and particularly in the interest of householders and small businesses, that sugar rationing should be retained in full force at least until the 1948 supply prospects are clear, but at the same time to increase the rate of ration as rapidly as circumstances permit.

Mr. LOCKHART: Will the minister consider timing the release of additional sugar coupons to coincide with the harvesting of the fruit crops across the country? November would be quite late.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

AGRICULTURAL PRICES SUPPORT ACT—POTATOES

Mr. HATFIELD:

1. Did the Minister of Agriculture or the Department of Agriculture receive a resolution from the Minister of Agriculture of New Brunswick regarding payment of a fair price on all potatoes sold below a fair market value?
2. What action has the Department of Agriculture or the A.P.S.B. taken with regard to the potato growers of the maritime provinces who sold their potatoes below market value, as outlined by agricultural prices support act, 1944?

Mr. BERTRAND (Laurier, for Mr. Gardiner):

1. A resolution was received by the agricultural prices support board from the Minister of Agriculture for New Brunswick recommending that payments be made to all New Brunswick potato growers who had sold potatoes at prices less than the price established by the board, under order in council P.C. 4295, for potatoes to be processed.

2. The board decided not to adopt the recommendation contained in the resolution on the ground that the proposed payments would be contrary to the principle of price support already adopted by the board on the recommendation of the potato delegation which met the board on October 1, 1946.

PRAIRIE FARM ASSISTANCE—J. D. PORTER, TRUAX, SASK.

Mr. ARGUE:

1. What was the amount of salary and expenses paid by the P.F.A.A. to Mr. J. D. Porter of Truax, Saskatchewan, during the month of May, 1947?
2. For what days was the above paid?
3. For what work and in what part of his district?

Mr. BERTRAND (Laurier, for Mr. Gardiner):

1. Nil.

2 and 3. Answered by No. 1.

CIVIL SERVICE—USE OF WORD "COLOUR" IN APPLICATION FORMS—"CONGENIAL" POSITIONS

Mr. STEWART (Winnipeg North):

What positions are considered "congenial" for "a member of the negro race" by the civil service commission?

Mr. GIBSON (Hamilton West): As already stated, negro applicants for positions in the public service of Canada are entitled to and receive the same rights as members of any other race. No special positions are reserved for them, but an endeavour is made by the civil service commission to appoint them to positions the conditions of which will be satisfactory both to employee and to employer.

QUESTION PASSED AS ORDER FOR RETURN

ALCOHOLIC BEVERAGES—SALES AND RETAIL VALUE

Mr. HATFIELD:

1. What was the amount and retail value of alcoholic liquor sold in each province in Canada for the year ending March 31, 1947, or the end of the fiscal year for each province?
2. What were the sales and retail value of light wines and beer sold in each province for the above-mentioned period?

Mr. McCANN: Return tabled.

WHEAT

PAYMENT OF 1944 PARTICIPATION CERTIFICATES

On the orders of the day:

Mr. MAX CAMPBELL (The Battlefords): I had a question to ask the Minister of Trade and Commerce (Mr. MacKinnon) but I see he is not in his place. I sent a copy of the question to his office, and perhaps it can be answered by another minister. Will the

Minister of Trade and Commerce indicate what progress is being made by the wheat board in making payment of the 1944 participation certificates?

Hon. J. J. McCANN (Minister of National Revenue, for the Minister of Trade and Commerce): There is little I can add to the previous statements of my colleague, the Minister of Trade and Commerce. Every effort is being made to expedite these payments, and it is expected that the forms for completion by farmers will be going out next month. Some time is bound to elapse, of course, between the receipt of these forms by the board and the actual commencement of the payments.

CHEESE

ADVERTISING OF CANADIAN PRODUCTS IN GREAT BRITAIN

On the orders of the day:

Mr. J. A. CHARLTON (Brant): In the absence of the Minister of Agriculture and the Minister of Trade and Commerce I should like to direct a question to the Prime Minister. In view of the statement of the Minister of Agriculture, as reported on page 4224 of *Hansard* of June 16, that advertising of Canadian cheese in Great Britain was not permitted, and the Canadian Press dispatch from London under date of June 25 last, quoting Mr. Strachey, minister of food in Great Britain that "there is nothing to prevent Canadians buying poster space to praise Canadian cheese," will the—

Some hon. MEMBERS: Order.

Mr. CHARLTON: —will the government now reconsider its policy and ascertain the facts—

Mr. SPEAKER: Order. The hon. member knows it is against the rules to ask a lengthy question on the orders of the day. I suggest that he put it on the order paper.

Mr. GRAYDON: It is too urgent.

Mr. CHARLTON: There are only a few more words: —with a view to advertising Canadian cheese and other food products in Britain?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I do not see anything so urgent about the question that it should be answered at this moment. I have had no notice of it and perhaps if it stands as a notice of question to be answered later it would be sufficient.

[Mr. Campbell.]

SHIPPING

CANADA-GREAT BRITAIN—QUESTION OF CHARTERING VESSELS FOR PASSENGER SERVICE

On the orders of the day:

Hon. W. E. ROWE (Dufferin-Simcoe): In view of the heavy demand for transportation from Great Britain to Canada of returning Canadians and others, has the government given consideration to chartering ships for this purpose and, if so, what decision has been reached?

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): The Minister of Transport (Mr. Chevrier) will be here on Monday and will give a specific reply to the question asked by the hon. member. I can assure him that at the present time there is in London a committee, under the chairmanship of the high commissioner, Mr. Robertson, representing five departments of government which is closely in touch with the situation. I shall take the liberty, through my colleague the Secretary of State for External Affairs, of cabling to England to find out exactly what progress has been made in connection with the matter referred to by my hon. friend.

BEEF CATTLE

POSSIBLE SHORTAGE OF FEED GRAIN—SUGGESTED LIFTING OF EMBARGO ON SHIPMENTS TO UNITED STATES

On the orders of the day:

Hon. W. E. ROWE (Dufferin-Simcoe): In view of the fact that a shortage of feed grain is indicated, especially in eastern Canada, will the government give consideration to lifting the embargo on beef cattle to the United States to avoid a possible glut on the Canadian market this fall?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I think the Minister of Agriculture himself should answer that question, and I will have it brought to his attention.

SUPPLY

Hon. DOUGLAS ABBOTT (Minister of Finance) moved that the house go into committee of supply.

Motion agreed to and the house went into committee of supply, Mr. Macdonald (Brantford City) in the chair.

INTERIM SUPPLY BILL

Mr. ABBOTT moved:

That a sum not exceeding $95,299,991.78, being one-twelfth of each of the several items as set forth in the estimates for the fiscal year ending

March 31, 1948, laid before the House of Commons at the present session of parliament, be granted to His Majesty on account of the fiscal year ending March 31, 1948.

Motion agreed to.

Resolution reported, read the second time and concurred in.

WAYS AND MEANS

INTERIM SUPPLY BILL

Hon. DOUGLAS ABBOTT (Minister of Finance) moved that the house go into committee of ways and means.

Motion agreed to and the house went into committee, Mr. Macdonald (Brantford City) in the chair.

Mr. ABBOTT moved:

Resolved, that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1948, the sum of $95,299,991.78 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported, read the second time and concurred in. Mr. Abbott thereupon moved for leave to introduce Bill No. 363, for granting to His Majesty certain sums of money for the public service for the financial year ending the 31st March, 1948.

Mr. BRACKEN: Mr. Speaker, I think the Minister of Finance should explain to the house the necessity for this further interim supply.

Mr. ABBOTT: I shall be very glad to do that, Mr. Speaker. The house will recall that the following proportions of interim supply have already been granted: (a) One-quarter (3/12) of all items to be voted in the main and supplementary estimates for the fiscal year 1947-48; (b) an additional one-twelfth for certain special services of a seasonal or sessional nature as detailed in the schedule to the act; and (c) the full amount of two agriculture items for which total payments fall due early in the year.

This was intended to provide for all expenditures up to the end of June. In practice, however, this does not follow, owing to the special nature of many of the activities that must be undertaken in the early part of the year and others where demands are normally heavy during the first few months. such as the sessional expenses of the Senate and the House of Commons.

I am asking now for a further one-twelfth to cover salaries and other urgent expenses payable within the current month and on into July. The form of the bill is exactly the same as that of bills passed in previous years, and at this session. Of course I give the usual undertaking that the passing of this bill will not prejudice the rights and privileges of any member to discuss any estimates which are still outstanding.

Motion agreed to and the bill read the first time.

Mr. ABBOTT moved the second reading of the bill.

Mr. GORDON GRAYDON (Peel): Mr. Speaker, I desire to put on the record a matter which normally I think I should have brought up on the motion to go into supply, but I still think I am within the rules in bringing it up on the second reading of an interim supply bill. I shall not elaborate on the points to which I shall refer; I want to leave them with the members of the house and of the government for their consideration not only during the rest of the present session but also during the recess; because these points deal with the whole question of how in my opinion we should handle the public business in parliament in the future.

This has nothing to do with party matters, and I would ask every member of my own party as well as every other member of the house to feel free to criticize the suggestions I am putting on the record. I shall do no more than enumerate them now, because this is not the time to make a speech on the various matters with which they deal. These are my suggested improvements in parliamentary facilities and procedure:

1. The time of sitting should be from one to seven p.m. each day.

2. The system as to questions should be the same as they have in Britain: from one to two o'clock should be devoted entirely to inquiries of the government.

3. Private members' day once a week, with amended rules to curtail the time taken and ensure wider range of subjects discussed.

4. Supply motion at beginning of sitting once a week for the airing of miscellaneous grievances.

5. The main estimates should be examined by standing or special committees, but preliminary discussion should take place in the house on the departmental administration item in each case so that a short general debate can occur before reference to committees.

6. Any member to have the right to appear and take part in committee as if he were a member of it, where it is dealing with departmental estimates.

7. Discussion and proceedings relating to estimates under consideration in standing and

special committees should be printed and distributed under the same rules as the official reports of debates.

8. Committees could sit in the morning, or while the house sits, or, in urgent circumstances, in the evenings. The number of members on committees who would be affected would be much fewer than the 245 members who at present are compelled to attend until eleven at night.

9. Speaking time to be cut in half in committee of the whole.

10. A private member should be given the privilege of speaking from another seat than his own, and if he does, then the Speaker should inform the galleries so they can identify the speaker. This may not be necessary if seating arrangements are changed.

11. If a member has to read his speech, which I am doing now (a practice that should be discouraged) he should on verbal request be permitted to do so by the Speaker and *Hansard* should then make a note that it is being read and the reasons therefor as given by the member.

An hon. MEMBER: Who wrote that?

Mr. GRAYDON: I imagine, Mr. Speaker, that these things will all be subject to amendment. I continue with the suggestions.

12. Changes in *Hansard* should be made only on a question of privilege in the house, never by a member privately.

13. Private chats between members in the chamber should be stopped. If they have to talk while a member is speaking, they should go outside to do so.

14. Research help should be provided for the opposition to match the departmental squad which is to be observed in the secretarial gallery at three o'clock every day.

15. If it is to be considered an act of propriety and courtesy to give a minister notice of a question, then ministers should give notice to the house leaders of all statements they propose making on motions or orders of the day, and these statements should of right carry the privilege of a reasonable number of questions after the statement, or else they should be debatable for a limited time, at least as long as it took to make the statement.

16. A larger amount of legislation should be initiated in the senate.

17. There should be a rationing of debating time with a fair share for new members and rear benchers of all parties.

18. Special debates, to be broadcast, such as leaders' speeches on address and budget speech and those of leading critics thereof, but no others.

19. The government's full programme to be laid before all leaders and then before all members at beginning of the session in an informal multiple-party caucus. The time should there be budgeted and prorogation target set at the beginning of the session, not when it is too late.

20. There should be a new seating arrangement for the chamber. This commons resembles a cathedral in shape and structure, if not always in decorum, rather than a debating chamber. The Speaker should be in the centre at the side with circular seating around him, and the press gallery behind the Speaker as usual, but because of that change, in a much more commodious form.

Mr. MITCHELL: That would not be following the tradition at Westminster.

Mr. GRAYDON: I know the minister has some ideas, but I want mine to go on record first.

Mr. ABBOTT: Are these all yours?

Mr. GRAYDON: I continue.

21. Daylighting in chamber instead of present artificial light. Transparent roof might be the answer.

22. Acoustics and ventilation of chamber should be improved.

23. Instal teletype as in Britain so that the proceedings in the chamber will be available for all to see throughout the buildings.

24. The local improvements suggested in the paragraphs Nos. 22, 23, 24 and 25 should be submitted to experts in these matters for study and report.

25. Rearrange diplomatic gallery to permit ordinary visitors to occupy these choice seats when they are not being otherwise utilized.

26. Arrange for a suggestion box for visitors to say how they think house work can be improved to increase parliament's prestige and efficiency.

Some hon. MEMBER: Oh, oh.

Mr. GRAYDON: Who has a better right to offer suggestions than the people who come here to watch us do our work?

27. The press should be called in to express their opinion on local improvements before changes are made.

As I say, Mr. Speaker, I am not going to elaborate upon the suggestions; I am leaving them as a basis for discussion. Certainly they are not the last word on possible improvements. We have had so many committees on the subject and we have had so much talk from time to time that I thought I should lay down at least twenty-seven suggestions. The

house can do what it likes with them, but I suggest that at least something be done.

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): I realize at once, Mr. Speaker, that this is not the time to debate the suggestions made by the hon. member for Peel (Mr. Graydon). Some of them are constructive; some of them are completely fantastic, but between this session and the next they will be carefully reviewed by the government. The house is indebted to the hon. gentleman, not only on this occasion but on former occasions when he has emphasized the necessity for certain reforms in our rules and procedure. I should like officially to thank him for the keen and consistent interest that he has taken in these matters. I do not think the house should debate this now. I can only assure him that the government will review every one of his twenty-seven suggestions and probably take action on at least some of them.

Mr. THOMAS REID (New Westminster): I want to commend the hon. member for Peel (Mr. Graydon) for laying his various proposals before the house; but I would draw the attention of the house to what I think is one of the failings. In the past year or two at least our present rules have not been lived up to. Personally I cannot see the value in devising new rules when the house will not live up to the present ones. So far as the reading of speeches is concerned, I think it would be a better idea to take them as read and hand them in. It would save a lot of time.

Motion agreed to; bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

Sections 1 to 3 inclusive agreed to.

Preamble agreed to.

Bill reported, read the third time and passed.

OLD AGE PENSIONS

INCREASES IN AMOUNTS AND INCOME ALLOWANCE REQUIREMENTS—MODIFICATIONS OF ELIGIBILITY

The house resumed from Tuesday, June 24, consideration of the motion of Mr. Martin for the second reading of Bill 339, to amend the Old Age Pensions Act.

Mr. H. W. HERRIDGE (Kootenay West): I do not wish to detain the house long at this stage of the debate, but I think I should be remiss in my duty if I did not give some expression to the sentiments of my constituents on this legislation. I listened carefully to the minister's statement to the house; then, being something of a simple backwoodsman, I read the statement over twice, because on occasions I find that words when used by cabinet ministers do not have the same meaning as they have when used by lumberjacks and miners. I am not blaming the minister personally, because I am sure he has to do the best he can to defend a bill with which he is not in entire sympathy. But after a careful perusal of his statement, I must say he made an excellent job of blanketing the deficiencies of the bill in rolling and sonorous eloquence. The principle of the bill, so far as I am concerned, and I believe, the majority of the members of the house and without doubt the majority of the people of the country, is a disappointment. I am sure that wide sections of the Canadian people are very much disappointed with the legislation. They have been in an expectant mood for two or three months. They expected something better for our old people than this bill represents. When I say that they are disappointed, that this house is disappointed, I must add that we are living up to a Canadian tradition in that respect.

I find that throughout Canadian history we have a tradition of overlooking the needs, the necessities and the welfare of our pioneers. I am one of those who rather delight in going to the archives. I find in the archives an oasis in a desert of modern urgencies. Sometimes I spend Saturday afternoon there. Going through some of the records in which I was interested I discovered that this disappointment of which I speak, so far at least as my constituency is concerned, goes back over a period of one hundred years. So far as I can find, the first application to the government of this country for an old age pension was made by a former resident of my riding just over one hundred years ago. I refer to David Thompson, who was the first white man to explore the Columbia river from its source to its mouth. He spent the years from 1807 to 1812 in the area which is now largely within the riding of Kootenay West. That great Canadian explorer, with the mind of the scientist and the soul of the poet, gave twenty-eight years of his life to exploration in western Canada and fifty years of that life to the service of his country. I find that in May, 1843, because of his destitute condition, after a lifetime of service to the country, he made application to the then govenor general for £150 to see him to the end of his days. At that time he was over seventy years old. Not receiving a satisfactory reply to that request, he made an offer to the governor general to sell his maps and drawings, which today are recognized as being

so valuable, to this country which he had served so well, and I think it will be of interest to the house—I will not take much time—if I read a letter that he wrote to the governor general of that day and the reply of His Excellency. I do so because these communications support very well my contention that the neglect of the needs of our pioneers and older citizens is a long established tradition in this country.

Let me read from a copy of the letter written by David Thompson in February, 1844 in which he outlines the statement of his circumstances and his distressed condition. He addressed the following letter to the governor general's secretary:

Sir,

Various circumstances, but principally an attack of the influenza of which I am recovered, have hitherto prevented my acknowledging the honour of the receipt of your letter of the 22nd ultimo wherein "His Excellency regrets that I should be placed in the unfortunate position I describe." Permit me to remark, something of an unusual train of circumstances has led to this state. In last May, when I informed His Excellency that I was about to proceed to Washington to dispose of my maps of the northwest countries, and Oregon territory, to the executive of the United States; His Excellency was pleased to claim the first offer of them to Her Majesty's government, to which I acceded. Had I proceeded to Washington and there sold my maps, and the information I possess on those countries, I should have been in a very different state from what I am at present. The last summer was given to the maps of the Oregon territory for Her Majesty's foreign office; the result of my labours, His Excellency informed me, was thanks without reward. When His Excellency was in Montreal, I had the honour of mentioning to him the maps of the boundary between Canada and the United States by the treaty of Lord Ashburton; he was pleased to say, "the maps are valuable and I wish to have them;" but candidly added, I cannot give an order for them until the money is voted by the legislature.

The members of the assembly to whom I mentioned this, all said, that for maps so necessary for the secretary's office, the sum required by His Excellency placed in the estimates will directly pass. I accordingly made the maps and sent them to Kingston, but His Excellency had no means at his disposal to recompense me. Thus passed my time from May to late in December without affording me the means of supporting my family, to do which, has obliged me to sell all that can be sold. Around every government there is a class of persons who have more or less passed their lives in its services, and thereby become dependent on it. His Excellency has been pleased to allow that my long services give me some claim on government, yet how very different is my neglected situation from many others; as many notice, among other instances, that of Mr. Borne, who for the sale of his seat in the House of Assembly for Rimouski, to Mr. Robert Baldwin received the handsome recompense of two hundred pounds per annum to take charge of the Chambly canal, for which his habits of life never qualified him.

I have the honour to be,
Sir,
Your obedient servant,
David Thompson.

That letter was written over one hundred years ago, yet how indicative it is today of present conditions! While deputy ministers have their salaries increased, while the same is true of boards of transport commissioners, the old age pensioners of the country are asked to live on an inadequate income. Let me now read the brief letter which forms the reply sent by the secretary of the governor general:

Sir,

In reply to your letter of the 27th ultimo I am desired by the governor general to inform you that there are no funds at his disposal from which you can be remunerated for the time and labour you have bestowed upon the maps to which you refer.

As Her Majesty's government do not require these maps, there cannot be any objection to your endeavouring to dispose of them to the executive of the United States, which you appear to have the same chance of effecting as at the time you offered them to His Majesty's government.

His Excellency regrets the state of distress to which you describe yourself to be reduced, and would willingly relieve you from it, if it were in his power, but there are no funds available.

As I say, that was over one hundred years ago. How applicable it is today. That great man, who served Canada so well, whose skill and energy and work are only now receiving widespread recognition, died in his eighty-seventh year, and just a few days before his death he entered in his diary the following words: "This day I borrowed two and sixpence from a friend. Thank God for that relief." On February 10, 1857, he died and he now lies buried in an unmarked grave in Mount Royal cemetery, Montreal. I have outlined these circumstances because they represent a tradition which has grown up in the country of overlooking our pioneers and aged citizens.

I am one of the younger pioneers of the district in which I live. I was not born there, but I have lived there since my boyhood, and all through the years I have witnessed the same sort of treatment meted out to these people who have built up the country. I remember playing with the Indians as a boy. The band of Arrow Lake Indians consisted of twenty-five persons at that time. When the white man first arrived in the Kootenay area, the Indian population numbered several hundred, but in 1906 that number had been reduced to twenty-five and today we have an Indian population of one. In 1903 the government saw fit to grant these people, as a

recompense for this huge and rich territory which had been taken from them, a reserve which is 243$\frac{1}{10}$ acres in extent—

Mr. JAQUES: Another instance of discrimination.

Mr. HERRIDGE: —upon which one person today has the right to live. I mention that because I believe hon. members of this house, particularly the C.C.F. group, believe that old age pensions should be paid to Indians. If measures of that kind had been taken years ago we would not have the tragedy of the dying out of an Indian band in that area.

As a boy I knew many pioneers and old-timers, and I delight to recall those olden days and to relive in my mind the scenes I saw. I had the opportunity of knowing a man who took part in the first discovery of gold on the mainland of British Columbia, out at the junction of the Columbia and the Pend-d'Oreille rivers. I refer to Nels Demers, a French Canadian who came from somewhere in the Ottawa valley just prior to the discovery of gold. He worked for years prospecting, timber cruising and assisting in government surveys. He devoted his whole life to the benefit of that area. I remember as a boy being asked to attend in his cabin when he was dying. I might say that in that period I remember Conservative speakers representing the provincial government telling audiences that old age pensions must be brought in. I think at that time certain European countries were held up as examples. Audiences were told that old age pensions would be brought in by the Conservative government of the day; that is, the provincial government. I remember the late Sir Richard McBride saying of the district in which I live: "Viewing as I do the great natural resources of this area, I cannot conceive of anything but increasing prosperity so long as labour is applied to these great resources". In the same speech I remember his referring to the plight of some of these older people who were living in log cabins along this lake throughout my constituency, whose later days were largely provided for by the generosity of friends and acquaintances, many of whom were unable to afford the amounts they gave for these purposes. I remember this one man in particular, Nels Demers, after whom a community is named to this day. He was a French Canadian who rendered great service to this country. He died in poverty because it was the tradition of the country, and is today, not to make adequate provision for our pioneers. I remember some of the first builders of the steamboats in the district from which I come, men who assisted in packing the machinery over the mountains, bringing pistons, boilers and things of that type on horse packs; men who built under the most difficult circumstances the wooden hulls of the craft that sailed on that lake.

I remember too the men who built the steamers which carried men from the United States for the gold rush, and later carried freight. I remember these older men very well. I remember a number of them particularly who after a lifetime of work on boats and steamships on the Columbia river were largely maintained by the generosity of their friends and neighbours, and ended their days in poverty. I remember something of the first lumbermen and loggers. I remember the building of some of the first mills and the bringing to the district of several hundred young French Canadians. I remember some of the older men who built the mills and did the logging in the very early days and made it possible to build the early cities and the early communities. I think of two men in particular, who were expert woodsmen, good millwrights, good all-round craftsmen. They worked unceasingly until they were over seventy-five years of age. I refer to a man named Miles Carrol, after whom a community on the lake is named, and another man known as Andy. I remember those two men passing their later days in poverty, supported by their friends and acquaintances.

I remember some of the early trappers and prospectors who went through what today would be considered untold hardships in packing through supplies to the distant traplines and distant prospects. I knew a man by the name of Dad McBain who gave up his traplines only after he was eighty years of age. He earned his living as long as he could; after he was eighty years of age he had to be maintained by the generosity of his friends and acquaintances. I know, too, of the plight of some of the early farmers in the district and some of the first war veterans, men who went to the South African war, and some of the early workers in industry, particularly in the smelters, in the latter part of the last century and the early part of this one. While I recognize that there are some improvements and some benefits, I maintain that in this bill we are carrying forward the Canadian tradition of not supplying the needs of our pioneers and aged people according to the resources of this country.

I am not going to repeat in detail the many valid criticisms made by hon. members with regard to this bill, or to present their arguments. I think that is unnecessary. Anyone reading *Hansard* can see again and again the sound and valid arguments put forward by members of all parties. In the observations

I have to offer I do not for one moment criticize the provincial or other officials who throughout the years have been administering the Old Age Pensions Act. I have had some experience with old age pensioners, because I am in a sense an old-timer in that district. I tried to do what I could for hundreds of these old people, assisting them to fill in their forms and meet the requirements of the law. I must say in all fairness that I have found the officials most cooperative and most desirous of doing all they could for the old age pensioners according to the regulations and according to the circumstances. I know a good number of these officials. In fact I think it would be difficult to find an official administering the old age pensions provincially who is not looking forward to the day when the means test will be abolished.

I think the amount provided for in this bill is too low. I do not think there is any argument as to that; I shall not go into the legal arguments but will just give a concrete illustration or two. I know an old miner. He is close to ninety. He has worked for years in the mines and in the smelters of this country. Picture the position of a man who under present provision for old age pensioners in British Columbia—which is one of the highest in Canada—has to pay out of that pittance $15 a month for a single room; and that is quite reasonable under the present circumstances. I said to him, "How do you live on the amount of the pension?" He said, "I have a slice of toast and a cup of coffee for breakfast. Sometimes I get a friend to give me lunch, but I really aim at having one good feed a day in the evening. No one can justify the amount we are allowing these people under those circumstances.

Then I come to the rural dwellers, those who live in country places. I will say that in many instances they are in a better position. I know of dozens of men who have a shanty in a small town or country place, or out in the backwoods; they live under somewhat better conditions. It is possible for them to make the dollars go a little farther. Usually they do not have house rent to pay. They build log cabins or frame shacks. They carry water from a nearby spring, and they cut their own wood. One of those men showed me his budget recently. I am not going into details, but I can say that he is a man of seventy-eight years whose shack is neat. He keeps accounts, and in those accounts he had totalled his budget for the month of March. In the budget he had entered amounts for groceries, and the necessary items of clothing, including shirts and socks. Then he had bought small quantities of tobacco, and there were no expenditures for other types of recreation, with I believe the possible exception of a weekly newspaper. His budget showed expenditures of $40.41, despite the fact that he was living with as much care as he could.

How can anyone say that the amount for which this legislation provides is sufficient for either urban or rural dwellers? I support the contention of those who say the means test should be abolished. It is one of the most unpopular tests with all those who work in the old age pensions branch. I have had many officials tell me of the great difficulty it presents to them, and the many cases of unfairness which have come to their attention.

I could give one or two illustrations. I have in mind an old gentleman in my home village of Nakusp of possibly 450 people. He was the first permanent white resident of that village. He had come down from Revelstoke on a raft years ago. That man is nearing eighty today, and for a period during the war he received the old age pension. Later in the war, because of a shortage of labour, he was persuaded by the people in the district to help out by doing a little extra work. He is a good craftsman, particularly as a shoemaker and carpenter, and a general handyman. For three or four months he earned at the rate of about $25 a month. What was the result? That old pioneer's pension was cut off. At that age he continued to earn his living, without reapplying for pension.

That is a state of affairs which should not exist in this country. I know of difficulties with which some of the old soldiers and old veterans who could not qualify under the War Veterans Allowance Act have been faced. These are men who possibly served in the imperial army. They may have seen service in the South African war or in the first world war. They may have built up some small competence in the form of homes or small ranches. But they hesitate to sign papers applying for pension because they want that property to go to their children. Upon their decease they do not want to have the pensions deducted from their estates.

I know of a farmer, a pioneer in my district, who came from the old country many years ago. He has built up a fine orchard and has been producing apples over a period of years. Now he is too old to work much and because of the difficulty of obtaining labour the operation of his orchard has become a problem. He does not wish to sell the orchard, but wishes it to go to his grandson. If however that man were to accept a pension, a lien would be placed against the orchard. The result has been that he has not taken the

pension. Today that old gentleman, who has spent large sums of money in this country, who has been a good citizen, who has cleared acres of land and planted a large orchard from which he has produced trainloads of apples and other fruits, is now in the position where he must live on what little he can make. All this is brought about because he does not wish to apply for an old age pension owing to the means test provisions.

I believe the qualifying age is too high. Today we find many old soldiers who cannot qualify for war veterans allowance, and who are prevented from getting old age pension. In this class we find many former miners and lumberjacks, men who have been working in wet mines, or under mountain conditions in the woods. Many of these men, because of the conditions under which they have worked, are prematurely aged. They are not fit to work in the mines or in the woods after sixty years of age, or at the very most after sixty-five years, and yet they are not able to obtain old age pensions. The same applies to some of the earlier industrial workers, those who have worked in the smelters and saw mills of the district.

Many of these men have lost their strength and their health. They are deprived of old age pensions until they are seventy years of age. I might point out that to some extent this situation has been recognized in British Columbia. The people of that province recognize that in this modern industrial society there are many people who have to be cared for before they reach the age of seventy years. In British Columbia we have what is known as the Social Assistance Act, which makes it possible for every citizen of the province, regardless of age, to receive amounts somewhat the same as those paid under the old age pensions scheme, or probably a little less. They may receive these payments whether their destitute condition is caused by economic handicaps, invalidism or other types of handicaps.

British Columbia has shown the way in this respect. And the fact that it is being done in that province is evidence that this legislation is insufficient when it does not permit a person to receive an old age pension until the age of seventy years has been reached.

There have been placed before the house many sound reasons, on humanitarian and economic grounds, for amendments to the bill. I support, as do the majority of the people I represent, an increase of the pension to at least $50 a month, the removal of this obnoxious means test and the lowering of the qualifying age. Those proposals have the support of a great majority of the Canadian people.

When the hon. member for Temiscouata (Mr. Pouliot) suggested that hon. members were criticizing the bill on political or electoral grounds he was absolutely wrong. Members of the house, regardless of the party to which they belong, who criticized the deficiencies in the bill, are truly representing the people they have been sent here to represent. I support the proposal put forward by the hon. member for Vancouver North (Mr. Sinclair) that after second reading the bill be sent to a committee for examination. I believe that is a good suggestion, one of the many good suggestions the hon. member has placed before the house in this and in preceding sessions.

This bill is of great importance to a wide section of the Canadian people, and particularly to those who are in need of old age pensions. I am not one who believes one can get something for nothing, but I think the bill should be sent to a committee where it would be possible to examine officers of the Department of National Revenue. I do not hold the de luxe ideas of finance or taxation which are held by the hon. member for Edmonton East (Mr. Ashby). I do not believe that the people who accept the same philosophy of life as I do would hold to that theory of taxation. But we do believe that if presented with the facts, the people of Canada are willing to pay an amount of money sufficient to enable these old people to live on an adequate scale.

I listened with interest to the constructive speech delivered by the hon. member for Kamloops (Mr. Fulton). I thought last night he delivered a most informative speech, and before concluding what I have to say may I point out that I was particularly impressed by his point that what we can do for these senior citizens of Canada can be more than something of a financial nature. I was interested in his point that this government and the provincial governments must be increasingly concerned about the welfare of these people in other respects, so that they may have an opportunity, not just quietly to live out the rest of their days in a well-fed and warm condition, but to be active participants in the life of their communities.

This is not a partisan question. I believe there is no subject in Canada at this time less partisan that that of making proper provision for our senior citizens. I do urge that the government give consideration to the wishes and views of the great majority of the people

of Canada who desire to see these people properly cared for. We boast of our natural resources, our wealth and our position in the united nations. We boast about our position in world affairs. But we must support that boast. We read the story of the past; we read the history of Egypt, Greece, Rome, the Latin countries and Great Britain. We read our own history. Any country which fails to provide adequately for its senior citizens finally goes into decay and oblivion. I believe that without unnecessary strain we can give these people sufficient with which to live lives of happiness and contentment.

In conclusion I just want to say to the minister that the bill presented to this house is no credit to our past, and holds out little hope for the future.

Mr. R. W. MAYHEW (Victoria, B.C.): Mr. Speaker, I rise to take part in this debate for a number of reasons, all of which I do not intend to mention at this time. I represent a constituency in which there are a great number of elderly people. In the city of Victoria and on the southern end of Vancouver island we probably have more elderly people in proportion to the population than any other part of Canada. That is due to two reasons. When people are born on the southern end of Vancouver island, or come there, apparently they live longer than they would anywhere else. Next, it has without doubt the best climate in Canada, and elderly people like to come there, and they are welcomed when they come, so that they may live the rest of their lives in comparative comfort. I believe that their numbers will increase as the days go by. All the beautiful and comfortable spots are not in my riding; many of them are in the riding of the hon. member for Nanaimo (Mr. Pearkes) who can enjoy the sunshine on the southern point of the island.

There is another reason for my speaking today. There has been a tendency in this house to ignore some of the real considerations and consequences of old age pensions—and I place some emphasis on the word "consequences". It is easy for an hon. member to rise in this house and expound the advantages of pensions. That is as it should be, and I am the last one to say that it should not be done. I think I have as much sympathy as anyone for elderly people, here or elsewhere.

There has been a tendency during this debate to pick numbers or amounts out of the air and argue the value of a certain amount per month to be given to old age pensioners. These people are encouraged to believe that the country can and will provide more than it is possible to provide. For that reason I think it is bad for anyone to go beyond what he believes this country can reasonably carry out.

My main reason for speaking is that I thought that by using some of the facilities of the department with which I am fairly closely associated I could obtain figures which would be of interest and which would prove a guide to those who wanted to give real consideration to the problem before us. I have prepared a table showing the costs of about nine different proposals which have been made since the opening of the house and during this debate. Along with that table I am going to place on the record the number of people over seventy years of age, the number over sixty-five and the number over sixty years. Then anyone who wants to really find out what his scheme will cost can do so by simple multiplication.

This would apply only when there is to be no means test. There are many things that we could not find out when there is to be a means test, but with the figures I am giving a fairly accurate estimate of any scheme can be obtained provided there is no means test. Before giving this statement I should like to refer briefly to a statement made by the leader of the opposition (Mr. Bracken) when he was replying to the minister who is piloting this bill through the house. He said, as reported on page 4290 of *Hansard:*

> He has told us of the great plan that was put forward two years ago, a plan which the government voluntarily brought forward, declaring it would undertake to pay $200,000,000. And now he tells us that the proposals which are now before us will cost this nation only $20,000,000. He says that it is a great step forward. I suggest that if it is a great step forward it is a very short one. The government has laboured and brought forth a mouse.

The hon. member has probably had a lot of experience in bringing up mice with long tails, but I want to state to the house that in one instance he told the whole story while in another he told only part of it. He did not tell the house that the $20,000,000 was extra to the $70,000,000 odd which we are paying already. The total of those two amounts comes quite close to the $100,000,000 mark. He did not tell the house that the $200,000,000 offer is still there. So far as I know the government has not reneged in any way on its proposals to the dominion-provincial conference, and I am quite confident that the government will not renege on this or any other promise.

There is another thing which the hon. member did not tell the house, something which has not been mentioned here. Because of the increased exemptions provided by this bill,

60,000 more people will receive these benefits than were receiving them in 1947. Surely that point is well worth stating. I suppose it was not in his interest at the moment to say anything about that. Nor did he tell you—probably he did not know—that the leader of the opposition rose almost immediately after the minister had resumed his seat and made his statement at once. If I were doing it that quickly there are a lot of things I would forget too, and that puts a different light upon it.

These figures I think are interesting. Six-sevenths of all the aged people who are receiving pensions under this scheme are receiving the full pension. Only one-seventh of these people have any deductions whatever made from their pensions. So the means test surely does not mean quite as much as some hon. gentlemen would lead us to believe in this debate.

I am supporting this bill, and I think I should give some reasons why I am supporting it.

Let me say first that I wish it were possible for us to divide our thinking into two classes. We have with us the men and women who are over seventy years of age, and we have also those who will be approaching that age in later years. For myself I cannot go back seventy years, but I can go back for quite some time. I can go back to the days when these men were working on our farms, probably five and six months out of the year, at $20 a month, and when they left the farm they would go to the logging camps and there get about the same amount of pay. I know because I have been there myself. I got the magnificent sum of $14 a month for the privilege of going to work in the dark and coming home in the dark, and of having pork and beans to eat almost three times a day, and for dessert dried apples and prunes; and going home quite fat on it all, and with lots of company.

These are the same men who worked in industry, when our industries were humble concerns and the men did not get full employment. Nevertheless if it had not been for their efforts we would not have had our industries today. These were the men who cut down our forests and turned our fields into the productive areas of today. They were the men who built our railroads and other public services on short time and on short pay. The big wages of today have not always been paid. It is only comparatively recently that men have been receiving big wages, since Henry Ford, whether he was right or wrong, raised the wages of every man in his employ by one dollar a day. That was the start of our high wages. But those who are now seventy receive no such wage. These men have laboured long and diligently, and if a few of them have misspent their money I for one am quite prepared to forgive that, remembering the things they have done for us.

I wish we were in a position to segregate that group of men who have done so much for us from those who today are in an entirely different position. They are getting wages which enable them to set something by. They are putting money by in insurance and in annuities and in victory bonds, and if we do not take away from them the incentive to save, they will continue to save. My hon. friend here (Mr. Reid) says that some call that old-fashioned doctrine today. It is because of the old-fashioned doctrine and independence of these people that we are today standing in our places and giving them the praise we are giving them. But if we did what some suggest we should do in this bill we should rob these people, or those who come after them, of their independence and their initiative and their incentive to save. That is one reason why I do not want these fancy ideas. We can go too far in both directions. But there is a balance on which we can travel that is right.

We cannot raise the amount of money that some people suggest we should raise for old age pensions without adding more burdens to the small taxpayers who find it difficult even today to pay the taxes on their small incomes. Let us wait a while and see if we cannot get the exemption raised. Let us wait a year or two and see if we cannot catch up with our obligations to the veterans—and our bill for them this year is $430,000,000 or $440,000,000. Let us see if we cannot get some of these things cleared out of the way and then look again at the old age pension. Or at the worst, according to the minister, all we have to do is to wait for the completion of agreements with the two larger provinces, and then this $200,000,000 proposal would go into effect.

There is another reason why I am supporting this bill. I have studied and worked on this question longer, I think, than most members. I tried back in 1917, 1918 and 1919 to work out with our own group a pension superannuation plan. I have been studying it and figuring on it for quite a long time. The first speech I made in this house was on compulsory contributory old age pensions—or old age superannuation, as I prefer to call it. I was alone that year. In 1940 an hon. member was elected for Nanaimo who gave considerable support to that plan. Also in the same year the member for Edmonton East gave some

support to the idea. But it died down. There was nothing much said about it until recently, and now it looks as if there is a possibility of getting old age superannuation going. But how are we going to do it? If you build the old age pension up to $50 a month, will those pensioners be anxious to separate themselves from five or six or seven per cent of their income—to provide what? What have they in the United States? There they get $29 and some cents a month. Are they going to part with a percentage of their income to get what some hon. members propose, a pension of $50 a month?

I will close this part of my remarks with this further statement, that we cannot have all the security we want in every respect. We cannot spend $250 million—$260 million it is this year—on family allowances, $430 million for veterans and $100 million for unemployment insurance. In other words two-fifths of all that we expect to collect this year will go in social security work. I contend that we must divide our money and decide where we are to place it. Are we to place it all on one thing, or on another? So far as I am concerned I want to see some day better hospitalization, at least cheaper if not free. I should like to see cheaper medicine and more doctors' help, because I think there is a preventive for the man who reaches seventy and has not sufficient money. You help him so that he does not get into the position of needing assistance from anybody, and I think that is much better for us all. Let us look at the thing calmly. Let us not put all our eggs in one basket. I feel quite sure that we will not. In our family allowances I believe that we went up to the rail as close as we dare go. I am not advocating going back on things, but I do say this: in whatever we have to do at the present time let us do it in a rational, practical and reasoned-out way.

I know Mr. Speaker, that you have ruled that the reading of speeches is not permitted. I have not been reading mine so far; probably it would have been better for the house if I had. I should like the privilege of reading for a little while because what I have to say now is pretty well filled up with figures, and unless they are right they do not mean anything at all.

Consideration of the various proposals listed on the tables I have before me gives a good picture of the increased cost of the alternatives as suggested in the house, and also how these costs will increase in the coming years due to the growth in population of people over sixty-five years of age. At the same time the population forecasts indicate that the number of persons over both sixty-five and seventy is going to increase very considerably relative to the number of persons between twenty and sixty-four—the years in which people are supposed to work—and more so relative to the wage earners and therefore income tax payers in that last group. The proposal in the bill under discussion is expected to cost the dominion and provinces some $92 million in 1948 without allowing for provincial supplements. By 1961 that scheme as it stands would cost $134 million.

The proposals as put forward in the dominion-provincial discussions in 1945, providing for $30 a month with no means test at seventy and with a means test from sixty-five to sixty-nine, would cost an estimated $299 million for the age seventy group and an additional $40 million for the sixty-five to sixty-nine group. This is, of course, an estimate and based on certain assumptions. If the same proportions were to come in from sixty-five to sixty-nine as are expected to come in under the means test from the seventy and over group, this $40 million would be increased to $62 million.

Various other schemes could be considered with and without a means test. The cost without the means test is a simple one to estimate if one relies on the population forecasts of the dominion bureau of statistics, but with a means test the cost of even the present proposal is nothing more than a good guess. The higher the allowable income is raised the harder it is to arrive at any reasonable figure because of the lack of information upon income of persons sixty-five years and over. In the 1941 census for example, we do know that some 30,000 persons between sixty-five and sixty-nine were gainfully employed with incomes above $500, while some 22,000 were gainfully employed with incomes less than $500. The corresponding figures for persons seventy years and over were some 12,000 with incomes over $500, and 9,000 with incomes under $500. These were within a total population of 306,000 in the sixty-five to sixty-nine age group, and 459,000 in the age seventy group, thus leaving a very large number of unknown incomes from investment and other sources where the persons were not such as to be designated as gainfully employed.

If the Ontario figure of $40 a month were to be adopted, say with no means test at seventy and a means test between sixty-five and sixty-nine, the cost would run from around $326 million in 1948 to around $464 million in 1961.

The most popular suggestion among opponents of the present proposals is that of $50 a month, presumably with no means test and everybody over sixty-five to be eligible. This

would cost some $560 million in 1948 and $769 million in 1961. It might be remarked at this stage that the estimated revenue from personal income tax in the fiscal year 1947-1948 will be $515 million, and in the following year, when the present income tax changes are fully effective, this sum will be even less. Thus the cost of this proposal would very shortly exceed the total revenue from personal income tax by $100 million, with the difference becoming even greater as the number of older people increases and the rates of income tax at least remaining about the same.

Suppose a means test were provided with the $50 a month at sixty-five and the maximum income were limited to $600 inclusive of pension, this might well cut the cost of the preceding figures in half; and it would also provide $50 for everyone at sixty-five, but it certainly would cut most of the incentive for thrift from people who, in their working lifetime, could save with a view to having a retiring income in the neighbourhood of $600, or slightly more.

The drastic suggestion of the Social Credit party, calling for old age pensions at sixty and no means test, would cost $508 million if the pension were $30 a month, and some $847 million if the pension were $50. By 1961 the $50 pension would cost $1,105 million. Looking now at the relative increase in the population forecasts we see that the number of persons over sixty-five to every thousand persons aged twenty to sixty-four will be increasing from 132 in 1948 to 159 in 1961. That is, no matter which of the various schemes is decided upon, the cost of it is going to fall on a relatively smaller number of persons, assuming that the greater part of the greater source of revenue is going to come from the twenty to sixty-four age group. If we consider the number of gainfully employed, we find that from 234 persons over sixty-five who might be eligible for old age pensions in 1948, there will be 281 of the same class to every thousand of the gainfully employed persons from twenty to sixty-four who will be providing a good part of the money necessary for old age pensions.

The number of income tax payers who would be apt to blame the old age pensions for the highness of their income tax is hard to estimate, since in 1945 there were about 2,180,235, while in 1941 there were only 871,488. If one were to take 1941 as perhaps a standard figure, and were to give pensions to everyone sixty-five years and over, then there would be more persons receiving pensions than there would be paying income tax.

It would take a little while to read this table, and I would ask the permission of the house to put it on *Hansard*. It is a table of costs for nine different plans, all of which have been proposed here. It includes a forecast of the number of people over seventy in the period 1948 to 1961, and also those between sixty-five and sixty-nine, and the total of the two.

There may be some questions about the number of 556,000 over seventy in 1948. It will be found that because of certain tables in the Canada Year Book for 1947 the figures as of that date are not the 1948 figures but rather, as I understand, the 1941 figures. In 1941 there were 459,000 elderly people over seventy, so that what is given here is, I believe, accurate. With the permission of the house I will put these statements on *Hansard*.

Mr. DEPUTY SPEAKER: Has the hon. member the unanimous consent of the house?

Some hon. MEMBERS: Agreed.

Mr. MAYHEW: The table follows:

Estimated costs of various old age pensions proposals

Proposal	1948	1951 (cost in millions)	1961
1. $30 per month at 70 with means test	$ 92	$101	$134
2. $30 per month—no means test, 70+	200	220	291
Means test, 65-69	40	43	53
Total plan No. 2	$240	$263	$344
3. $30 per month at 65 with means test	$132	$144	$187
4. $30 per month at 65 with no means test	336	367	461
5. $40 per month—no means test, 70+	266	293	388
Means test, 65-69	60	65	76
Total plan No. 5	$326	$358	$464
6. $50 per month at 65 with means test and maximum income $600	$280	$305	$385
7. $50 per month at 65 with no means test	560	611	769
8. $30 at 60 with no means test	508	551	663
9. $50 at 60 with no means test	847	919	1105

Population forecasts

Age group	1948	1951	1961
70+	556,000	611,000	809,000
65-69	377,000	407,000	472,000
Total: 65+	933,000	1,018,000	1,281,000
60-64	478,000	513,000	560,000
Total: 60+	1,411,000	1,531,000	1,841,000

Mr. G. R. PEARKES (Nanaimo): I should like to start by complimenting the hon. member for Victoria, B.C. (Mr. Mayhew) on the speech he has made, because I realize what an exceedingly difficult speech it must have been for him to deliver. Coming as he does from the southern portion of Vancouver island, I know well that there is not an individual in the whole of British Columbia whose heart is warmer and who personally adopts a more generous attitude than the hon. gentleman. However, on this occasion he has to play the role of Mr. Hyde to the minister's Dr. Jekyll, because he is parliamentary assistant to the Minister of Finance and therefore may not feel at liberty to speak from his heart but must speak from the figures he has obtained from the study of his statistics.

I have not had the opportunity of studying those statistics. If I speak today I shall perhaps speak somewhat more from my heart than from my head. I also come from the southern end of Vancouver island, and I also claim a high percentage of elderly people living in my constituency, people who have borne the brunt of the great days of our expansion, people who went out many years ago to the prairies and struggled in those homestead days. As a homesteader myself I know something of the hardships of homesteading, although I cannot appreciate the hardships undergone by the earlier settlers, those who today are in the sixty-five to seventy class.

Those people from the prairies moved out to British Columbia partly because the climate is milder, partly perhaps because of the scenery, partly because they thought that the dollars they had saved would carry them further in the milder climate of British Columbia, and perhaps because in more recent years they have realized that the old age pension paid in British Columbia is higher than that paid in some other provinces.

We have therefore a large number of these elderly people who have come to the southern portion of Vancouver island. Many of these come from the prairies. Many of these in the days when labour was cheap, interest was high and the cost of living was low, thought they had saved enough money to take care of their old age. Now the days of low wages have gone. We have high wages today. The days of high interest rates have also gone, and investments made twenty or thirty years ago by the savings of people who have tried to exercise the quality of thrift do not bring to them anything like the returns that they had hoped would be brought in in their more advanced years.

I am quite certain that the strain of toil and the hardships they experienced in their earlier years when they were building up our western country are taking their toll in the health of these people in their more advanced years, with the result that, with diminishing income from the savings which they have put into bonds, they find they have not enough today to meet the higher cost of living. Their capital is diminishing because they have had to pay hospital expenses, which in the pride of their youth and middle age they never thought they would have to incur. The result is that many elderly people living in my constituency are scraping along in the greatest possible difficulty.

I have visited their shacks, not in the main part of Victoria but in the outlying districts, and there is poverty there among elderly people. It has been said that the younger people of today, the sons and daughters, should provide for their parents in their advanced years. I know that is the philosophy that was accepted perhaps forty years ago when it was regarded as the responsibility of the son or daughter to keep the father and mother in their declining years. I suggest to you, Mr. Speaker, that that is the philosophy that might be interpreted in the words of the catechism, where one is exhorted to be content to live in that state of life to which it has pleased Almighty God to call him. But I suggest to you also that the majority of hon. members would not be sitting here in this house if they had been content to accept that philosophy. It was because they were not prepared to accept the circumstances of life into which it had pleased God to call them in their early days that they or their fathers migrated to this country to help to build up their substance and livelihood here.

I think it is a mistake—it is an attempt to continue the trend of an age which has gone by—to suggest that the sons and daughters of the poor are responsible for keeping their parents in their old age, because the sons and daughters of the poor have had additional handicaps to overcome in order to get their education. Surely we are not going to ask the sons and daughters of our poorer inhabitants to carry the responsibility of providing for their parents in their old age. I suggest we have come to a more enlightened era, and that the people as a whole are prepared to look after the aged of this land.

I am not going to repeat all the arguments which have been advanced, I think from all sides of the house, pointing out that the provisions made in this bill are not adequate. I am sure I am speaking for a great many people from the southern portion of Vancouver island when I say it will be with bitter disappointment that they learn of the extent to which the government is prepared to help them at the present day by the increases in the old age pension and by the slight relaxation of some of the regulations in connection with what one may call the means test. There will be bitter disappointment because those aged people had been buoyed up with the hope that a more generous contribution was to be made to them. The feeling amongst a great many of the working men on Vancouver island is such that they would welcome an opportunity of being able to provide for their future by some form of compulsory savings. I dislike the term "compulsion", but we have to remember the outlook of the younger men. In my day we drove teams for a living, and we spent our money freely. While the loggers of today spend their money freely too, many of them have told me that the bugbear before them is the fear of a poverty-stricken old age, and that they would welcome a scheme which would force them to contribute towards some provision for that period in their lifetime. We cannot wait longer.

It is with regret that I see this rather half-hearted measure which has been brought in. I intend, however, to support the bill, because I would not deny for another day the meagre increase which is being granted to the aged people. I hope the Minister of National Health and Welfare (Mr. Martin) is really serious when he says that this is only intended to be a first step forward, however short that step may be.

There is just one other point I should like to refer to, and it has to do with the blind. Reference was made last night by the hon. member for Outremont (Mr. Rinfret) to the desirability of granting pension to the blind at an earlier age. In the interests both of the blind themselves and of the national economy, I should like to urge that the pension be paid to our Canadian blind at an earlier age than forty. It may be desirable to pay it at sixteen, or at twenty-one. During those years between twenty and forty the blind man is learning a trade. If he can be given assistance to enable him to go on and learn a trade, it seems to me that he will have a reasonable opportunity of making a livelihood later on in life. But if on the other hand he is denied an opportunity—because he is not granted that pension until he reaches the age of forty—of taking the courses which are necessary in order that he may learn that trade, it seems to me that he will never learn the trade but will always be a burden on the state. I am not at all certain that the whole matter of pensions to the blind should not be removed entirely from the Old Age Pensions Act. They are two entirely separate forms of pension; the conditions which are applicable to the aged are not applicable to the blind.

I hope that at some future time the Minister of National Health and Welfare will give careful consideration to the possibility of bringing in a separate act for pensions for the blind. But in the meantime I hope he will give consideration to reducing, from forty to twenty-one, or even to sixteen, the age limit at which the blind may first receive their pensions. I know that is the desire of many of the societies which look after the blind, because I have had letters from British Columbia urging that such a step be proposed.

Mr. VICTOR QUELCH (Acadia): I had not intended to take part in this debate, Mr. Speaker, but in view of some of the statements which were made by some hon. members on the opposite side of the house, I feel obliged to make a few comments at this time. The people of Canada have waited for a considerable length of time for this bill amending the Old Age Pensions Act. High promises were made during the war. At no time were those promises greater than they were during the war loan campaigns which were conducted in this country. As a result of those promises, the hopes and expectations of the people were raised to a high level. Today the people remember that the Prime Minister (Mr. Mackenzie King) said then that unless that new order were well on its way before the end of the war, the people might look for it in vain. The people are now beginning to wonder whether they are to look in vain for that new order. They are wondering whether or not those fine promises made by the federal government during the war were just bribes

for the purpose of getting them to make the sacrifices which were essential in order that we might win the war. I would say that the legislation now before the house is an insult to our senior citizens and, to my mind, constitutes a deliberate breach of faith on the part of the government. I realize that the Minister of National Health and Welfare (Mr. Martin) has told us that this is merely a breathing spell. But surely, two years after the war, the old age pensioners have a right to expect to do more than just breathe. They have a right to expect to eat, to live and to clothe themselves in comfort. No one, by the wildest stretch of imagination, could say that this bill will provide a decent standard of living for our senior citizens.

I do not intend to go into any detailed criticism of the bill. However, in passing I should just like to say, as other members of this group have said, that I criticize the bill for the following reasons. It does not increase the pension to $50 a month; it does not provide for reducing the age to sixty; it does not eliminate the means test; and it does not provide for paying a full pension to a married couple where only the husband is of pensionable age. I realize that it provides for the couple being able to have an increased amount of income of their own, but at the present time it does not provide for paying any pension to the wife if she is under pensionable age. We believe the act could very well be modelled along the lines of the War Veterans' Allowance Act, which provides a full pension to married people, no matter what the age of the wife may be.

Furthermore I cannot see any reason why a blind person must reach the age of forty before receiving a pension. Surely a blind person at the age of thirty may be in just as great need of help as one at the age of forty. We feel that the age in respect of blind persons should have been reduced to twenty-one. I have never heard any justification for the level being set at forty.

Furthermore we believe a pension should be paid to all people who are physically incapacitated and therefore unable to take care of themselves. The minister has made it clear that he believes in a contributory scheme. As a matter of fact I believe the majority of the parties in the house, apart from this group, have taken a similar line. But I suggest that those who argue along that line fail to remember, as was pointed out by the leader of this group, that the scheme we now have is a contributory one. I say that because in order to receive the benefits under the act the individual must have been contributing to the general consolidated revenue fund of this country for the past twenty years, either through direct or indirect taxation, or both. And let us not forget that today around a billion dollars is taken from the people in indirect taxation. It is becoming the greatest source of revenue. Therefore all those people who have been in the country for twenty years have been contributing daily—

Mr. BLACKMORE: No matter how poor they are.

Mr. QUELCH: —to the fund from which pensions are paid. Therefore what possible argument can there be that we should have some form of contributory scheme, when in fact we already have one?

So long as production is limited, it means that everyone has to be willing to have just a little bit less in order that persons of pensionable age may obtain a pension. On the other hand, if we can develop the resources of this country to their fullest extent, and maintain the national income at around $12 billion, which should be possible, then it would be possible to pay substantial pensions to these persons without reducing the standard of living of the rest of the people.

To those who believe in another type of contributory scheme, let me say this: There is nothing to prevent an individual from indulging in that type of contributory scheme today, if he so desires. He may do so by taking out a government annuity. But the individual with whom I am concerned is the one who is not financially able to do that. No form of contributory scheme will help that individual; and there are many thousands of them.

The minister has argued that there is nothing to prevent the provinces from increasing the amount of pension, if they so desire. Time and again members have asked, "What is your province going to do?" I would remind the minister of what was said yesterday by the hon. member for Vegreville (Mr. Hlynka), that this was not the stand taken by the Prime Minister in June, 1931. But I would argue this phase of the question from a different point of view, because people's ideas change, and perhaps the ideas held today by the Prime Minister are quite different from what they were in 1931. I can well believe that any man who went through the thirties in office would change his opinion.

The obvious reason why the responsibility must rest with the federal government is that that government alone has the power to control the issue of currency and credit, and to control it in terms of public need. That is the familiar phrase used to a great extent by the Prime Minister during the campaign of 1935. It is possible that since then he has changed his mind with regard to whose responsibility

it is to pay old age pensions. He probably realized that the only governing body in Canada which would have the power or the ability to pay a substantial old age pension is that body with the power to control the issue of currency and credit, because he then warned the people of the great danger we faced from certain money barons, and promised that he would institute measures effectively to control them. In fact he went so far as to say that a great battle would ensue in parliament.

What is the situation when a government fails to maintain the proper control of currency and credit, so that it is available in terms of public need? We saw what happened in the thirties. The parliamentary assistant to the Minister of Finance told us about the way in which the pioneers worked, and that they obtained little for their work. He seemed to be under the impression that people should be prepared to do the same today, and that the ones who are working are able to obtain a far greater amount for their work than they were in those days. But let us remember that the same people went through the thirties. Many of them had saved. What happened to the savings of those people in the thirties? Did what happened in the thirties encourage people to save for the future? Many people in the thirties had their total life savings wiped out. Some of them had been contributing to life insurance policies for years, and lost these policies. Life insurance policies were being cancelled on a wholesale scale. What guarantee is there that exactly the same situation will not occur in the future? And if that situation develops again, of what help will a contributory scheme be? It will be just a similar sacrifice.

Many hon. members on the other side of the house have asked: Where will the money come from to pay pensions of the kind you are advocating? I certainly regret to hear that cry echoing through these halls once more, because that was the cry we heard from 1935 to 1939, when we had half a million people unemployed, when we had a great number of people in dire need in Canada; and when time and again members in the house suggested effective measures should be instituted to take care of those people we always heard the same old cry from members on that side of the house: Where will the money come from? Then the minister of finance of that day would tell us, "It is not possible to raise any more money by taxation, and the only money the government of Canada can get is the money it obtains from the pockets of the people." We hear exactly the same cry today.

The hon. member for Comox-Alberni (Mr. Gibson) tells us he has listened to social credit for three years and does not yet understand it. Let me ask him this: Does he understand the present financial system? I am satisfied he does not. I tell him it is easier to understand social credit than to understand the present financial system, because social credit is based upon reason while the present financial system is not.

Mr. GIBSON (Comox-Alberni): Nobody else here understands social credit, either.

Mr. QUELCH: Between 1935 and 1939, when this government was in power, we were told there was no money to provide essential services to the people of this country, that there was no money available to put people to work. And yet, within six weeks of the declaration of war the government found another way. They got the chartered banks to create for their own use $200 million of new money; and speaking in the house the then minister of finance said that the money was created in order to provide employment. If within six weeks of the declaration of war $200 million in new money could be created to provide employment for the people of Canada, why could it not have been done six months before war was declared?

Let hon. members opposite remember that well, for not once in any year during the war did we ever finance the war by taxation, or by borrowing savings alone. Nearly $5 billion in new money was created during that time.

Mr. GIBSON (Comox-Alberni): That is why we have inflation now, is it not?

Mr. QUELCH: No. We have it for the simple reason that fifty per cent of the production was drained away to meet war needs. If that fifty per cent of production had been available to the people, there would have been no inflation, and we would have had the highest standard of living this country has ever known.

But it took a war to force the government to change its financial policy. It is a strange thing that the government are prepared to adopt a sound financial system—and I should not use the word "sound"—to adopt a financial system which will make it possible to maintain production at the highest level during a period of war, in order to save their skins, but they are not prepared to adopt it in peace time to meet the needs of old age pensioners.

During the war we heard time and again the cry that no financial limitation would be allowed to impede the war effort, that the only limit to our war effort would be the men

and materials available to carry it out. Apparently it is no longer a question of men and materials; it is a question of how much we can afford, where we shall get the money, or what will be the financial cost. I should like to say that it is not a question of whether we can afford to do this; but rather, that we cannot afford not to do it. If we want the present system to survive; if we want to retain those things for which we fought, then I say that we shall have to make goods available to people who are aged and physically incapacitated. Otherwise we shall certainly be guilty of hypocrisy in so far as what we said during the war is concerned, and I am now referring to what the government said.

I will give another reason why we cannot afford not to adopt measures of this kind today. I should like to refer to what was said by the Minister of Finance (Mr. Abbott) in his budget speech. In that speech the minister intimated that we cannot expect to maintain the present high level of production, the present high level of income and the present level of employment.

Mr. MARTIN: I do not want to interrupt the hon. gentleman, but I am sure he will agree that he is going a little far afield.

Mr. QUELCH: I believe that what I am now saying has a greater bearing upon whether or not we can afford to pay $50 a month to the old age pensioners than anything that has been said since the debate started. I think the minister will agree that the main reason why pensions are not increased at the present time is the cost. Will the minister deny that? He said that the provinces should do this, but I have pointed out that the provinces cannot hope to be able to do it unless a financial policy is adopted which will maintain prosperity in this country so that they will be able to find the money with which to do it.

Mr. POULIOT: And because of gifts to other countries.

Mr. QUELCH: I think the minister will appreciate that I am coming right to the point. The Minister of Finance said that we could not hope to maintain the high levels of income, employment and production because of a lack of effective demand. That was due, first of all, to the fact that war savings were being spent rapidly and would soon be exhausted; second, that our programme of reconversion was rapidly approaching its end, and, third, that the foreign credits which had been made available to other countries in order that they might buy our goods would soon be exhausted. When that time is reached there will be a lack of effective demand and no industry can continue to produce unless it can sell its production.

This is the point I wish to make to the minister. One of the finest ways to maintain effective demand in this country is to pay a decent pension to our old age pensioners. I gathered from the statement of the parliamentary assistant that the cost of paying pensions of $50 a month at age sixty-five would be around $508,000,000, and that the cost of paying pensions of $50 a month at age sixty would be around $1,000,000,000. We remember that during the 1930's the United States and Canada adopted minor pump-priming operations. It is now realized by all economists that the reason for the failure of those experiments was that they were not on a large enough scale. The reason for the tremendous increase in production during the war was that large sums of money were spent which, in turn, created a great demand for goods.

Mr. DEPUTY SPEAKER: I believe the hon. member is going beyond the scope of this bill. He has entered into a discussion of our financial system, a discussion which would be more appropriate to a budget debate. I suggest that he endeavour to confine his remarks more directly to the bill which is before the house and which relates to old age pensions.

Mr. QUELCH: I doubt if you could tell me how we are to finance old age pensions of $50 a month at age sixty, but I am trying to point out, through you, Mr. Speaker, how that can be done. There is no use in my saying that it can be done without suggesting ways and means whereby it can be done.

Mr. DEPUTY SPEAKER: The hon. member was discussing what took place during the 1930's, and I hardly think that such a discussion would fall within the scope of this bill.

Mr. QUELCH: To come back again to the statement made by the parliamentary assistant that it would cost around a billion dollars to pay pensions of $50 a month at age sixty, we found it quite convenient to provide foreign credits of around $2,000 million extending over a number of years, and during the war we found it quite convenient to make a gift of a billion dollars to Britain in one year. I suggest that if it were possible to make a gift of one billion dollars to Britain during the war it should be possible to make a gift of a billion dollars to our old age pensioners.

An hon. MEMBER: Every year?

Mr. QUELCH: That would help to maintain our production at the high level of $12,000

million a year. Do hon. members remember what our income was before the war? I do not want to discuss that because I would be ruled out of order, but our production today is more than double what it was before the war. The result is that we have at least one-half more income today than we had before the war. If anyone had suggested in 1930 that we could double our production and income in three years he would have been laughed at. I do not think anyone will dare to challenge the statement that our income can be maintained at a level of $12,000 million a year. The Minister of Finance told us that the level of production this year will be around $12,000 million, and if we can maintain our income at that level we should have no difficulty in maintaining old age pensions at a satisfactory level even if it cost the country around one billion dollars.

After all, it is not a question of money; it is just a question of goods. It is merely a question of whether or not we in this country can produce a sufficient amount of goods to give our old age pensioners a standard of living of at least $50 a month. That is all it amounts to. Surely we can follow out the same policy which was followed during the war that no financial restrictions shall be allowed to impede our peace effort; that the only limitation will be the men and materials available. If goods are available to provide old age pensioners with an income of $50 a month, then it is up to the government to see that the financial policy of this country is such that that can be made possible.

Before closing, I should like to refer to one statement made by the Minister of Labour (Mr. Mitchell) during this debate. This is a statement which he has made on several occasions in the house during this session. I presume it is supposed to be a bit of profound wisdom. The minister has said that the only real money is that which is hard to get. Let me say to the minister that that kind of statement does not come well from a Minister of Labour, because a hard money policy is a deflationary policy and, under a deflationary policy, unemployment increases. It seems strange that the Minister of Labour should advocate in this house what in reality is a deflationary policy under which labour would suffer greatly.

Mr. D. F. BROWN (Essex West): Mr. Speaker, like the previous speaker (Mr. Quelch) I had no intention of taking part in this debate, but I should like to make two suggestions to the government which may be of value in the future. I should like to suggest to the previous speaker that he read this legislation and study it. I am sure the province of Alberta will be very happy to contribute to their old age pensioners the amount which they may now meet under the statute.

Mr. LOW: If the dominion would keep their hands out of our pockets, probably we could.

Mr. BROWN: This is a delicate matter and one that should be gone about carefully, honestly and sincerely. It is not one about which statements should be glibly made. When people get around the conference table, as many members of this house have seen at the dominion-provincial conference, and the Minister of Justice asks one provincial premier how much he wants in dollars and cents for the rental of certain taxation privileges, and the provincial premier gets up, wrings his hands, and eloquently talks about everything else, including the weather, and then sits down, how can you hope to come to an agreement with such people? However, that is not the purpose of my remarks today. I am making no apologies for taking up the time of the house very briefly on this bill, because other duties in the house have made it impossible for me to take the part in its debates that I would like to have taken.

One of the greatest ills that inflict mankind today is fear, the fear of poverty, which coupled with the fear of old age brings on the fear of disease and of pestilence. I would therefore like to commend the government on this step which it has taken. As the hon. member for Halton (Mr. Cleaver) so eloquently said last night, this is merely one step, but it is a very valuable and worthwhile step, and I commend the government for taking it. I think we are all agreed that it is one of the steps towards the goal towards which we are heading. I know that the government is conscious of that fact.

Persons of advanced age are not desirous of getting something for nothing. I know that the government is conscious of that fact and that it is trying to work out a system of contributory old age pensions which will be paid as of right to all needy individuals who have attained a stated age. I do not suggest of course that such a plan would eliminate all disease, but it would go a considerable way in bringing comfort and contentment for people of advanced years. It would eliminate many of the mental ills with which they are confronted, and would thereby prolong human existence.

One suggestion I would like to make—and this was ably covered by the hon. member for Halton last evening—is with regard to persons suffering from total disability caused by diseases such as arthritis and paralysis. I am

sure all members of the house are pleased that the government has included in the bill provision for persons who have become incapacitated by blindness. I recall no one in the house saying that he was not in favour of it. The door has thus been opened. There is a large class of people who are afflicted with other diseases which partly or wholly incapacitate them, and these people are in a position similar to if not worse than that of those I have mentioned. Members of the house will recall many cases in their own experience. I remember one of my constituents, an unmarried woman of advancing years, who has done a great deal of good in her community both in public and private matters. I know that such persons, who have no income whatsoever, would be greatly benefited by a provision of the kind which is being made for the blind.

Some time ago I had some correspondence with a friend who is suffering from a form of paralysis which unfits him from earning a living. This gentleman forwarded to me a copy of a resolution which has been submitted to members of the house. I do not know that it went any farther. It was from the Council for Guidance of the Handicapped of Vancouver, British Columbia. While the resolution did not specifically ask for a pension for the handicapped, I am sure it would be of great advantage to them. Since the door has now been opened I think the government would be well advised to take under advisement in due time assistance to people who are suffering from such handicaps as these.

There is another class of persons who have not so far as I am aware been mentioned in this debate. There are over 130,000 persons over whom the Dominion of Canada has legislative control which amounts to a form of wardship. I refer of course to the Canadian Indians, the first residents of this dominion. A great many of them have not had the opportunities and the background of education which members of this house have had, but I am sure that if they were given an opportunity to help themselves, free from unreasonable restrictions and free to enjoy a sense of equality, they would do great credit to this country. Here again, however, the fear of poverty and old age has given many of them a sense of inferiority and frustration which finds expression in resentment and unrest. I know that the government is giving consideration to these matters. The house recently adopted a report of the Indian affairs committee recommending the giving of old age pensions to the Indians. While realizing that the provinces make some contribution to old age pensions, I would urge upon the federal government, whose wards these Indians are, that some form of pension be introduced at an early date for the benefit of our Indian population. I am sure that the expenditure involved would be of great assistance in raising the standards of our Indian population and in carrying out the endeavour of the Indian affairs committee, to help the Indian help himself.

Mr. R. R. KNIGHT (Saskatoon City): Mr. Speaker, I attempted to get into this debate immediately after the speech of the hon. member for Kootenay West (Mr. Herridge), so that I might congratulate him upon his delightful language and upon his ability to tell stories of the pioneering days in British Columbia. I wish he could be persuaded to write a book of those experiences so that they may have a wider circulation.

We are all anxious that this bill should reach the committee stage, and I shall delay the house for only a moment or two so that I may put on the record, in what I hope will be a concise and brief form, those things in which this bill is to the members of this group something of a disappointment. In the first place, I think the bill provides too little money for people of pensionable age. Second I think the pensionable age is too high. Third I think that the bill provides, even with the increase to $30, a standard of living no better than $20 was before the period of the war.

Next I would say that the bill does not abolish the means test. I would say that it puts the responsibility for the payment of the increased pension upon the provinces, and by so doing, at a time when national unity is the thing which this country needs above all others, it continues the dominion-provincial dog fight and initiates an interprovincial one. Next it does not provide that old age pensions should be, as I think they should be, a purely dominion responsibility. It does not provide that uniformity of pension which we think is desirable across the country.

When one examines the bill closely he finds that it does not imply that any province of necessity must increase its pension; it merely guarantees to that province seventy-five per cent of whatever amount the province decides to pay, up to $30. But if that province, as I interpret the bill, decides to pay a lesser amount, there is no reason, so far as this bill is concerned, why the province should not do so.

In view of the small amount of increased payment under this bill, we must take notice that it does not provide for any medical services or any supplemental benefits for persons over seventy such as is provided, for instance, in Saskatchewan and in some other

provinces. While I am speaking of the western provinces, I might say that I do not think this bill really provides an increase in pensions in the four western provinces at all, unless those four provinces decide to carry on these supplemental benefits which they have been paying and which, I am quite sure, were considered as a temporary amelioration pending the agreement between the provinces and the dominion, or pending legislation by which the dominion would assume its proper responsibilities.

Finally, I think we should consider that the sections of the bill which is now before the house are a sufficient proof that what Canada needs is an over-all measure of social security for all the people of Canada upon a dominion basis.

Mr. W. GARFIELD CASE (Grey North): One could talk at great length on this important social measure, but I shall be brief. I feel that I should like to make a contribution to the debate and draw to the attention of the minister and the government what I consider the true position today. The real challenge is for the government to institute the proposals they made to the provinces in 1945. They still have access to the same fields of taxation that they had at that time. It would have been accepted as evidence of good faith had they written into the Old Age Pensions Act $30 a month without a means test. I could talk at considerable length with respect to the means test. I consider that the means test puts a premium upon thrift. In other words, as one grows older he approaches old age with the fear that his resources are insufficient. Realizing that he must reduce his resources still further in order to claim a pension, he is more apt to do so.

The provinces have sought, within the limit of their resources to deal generously with the pensioners. Ontario is particularly to be complimented on instituting almost immediately an over-all pension, depending upon the passage of this legislation, of $40 a month, subject, of course, to need. In addition to that, Ontario provides many other social benefits, which were referred to by the previous speaker, to the old people. If we had the pension that was promised of $30 a month without the means test the people would then feel a sense of security, and that they were being rewarded for services rendered. Of course, when I speak of the removal of the means test I do not mean that it should be compulsory to accept old age pensions as we understand family allowances today. That is to say, I am suggesting that it should be necessary only to prove your age if you want to receive a pension, and that the pension likewise would be subject to taxation. If your income were sufficient without the pension and you obtained the pension only to increase it within taxable limits some of it would be returned.

Another matter, which was touched upon by the hon. member for Essex West (Mr. Brown) and which I wish to underline and bring to the attention of the minister and of the government is the position in which we find the old people in the Indian tribes today. It has been my privilege to serve on the Indian affairs committee. Recently we passed a resolution urging upon the government that they give consideration to granting old age pensions to Indians. After that resolution was passed, numerous delegations who appeared before the Indian affairs committee dwelt upon the fact that this was one of the finest things the committee had done. The chairman, fortunately, cautioned them to understand that it had not yet been enacted but was only a recommendation on our part.

The very fact that the bill removes the nationality clause from the requirements seems to me to provide a challenge to the government to give consideration to the Indians. Because of their standard of living, I am sure that they would be satisfied with even a lesser pension than has been provided for the average Canadian citizen. The old Indians on reserves are living in deplorable conditions. They receive just a small pittance. From my experience the top limit is about $5.60 a month, and that must provide them with fuel, clothing and food. Hon. members can understand that even $15 or $20 a month to an Indian would be very acceptable. Therefore, on their behalf I make this special plea, that consideration be given to our first citizens now that we have taken the nationality requirements out of the act. Surely those who were the first citizens of this land, those whom we are seeking to absorb into our society and to build up, should be entitled to consideration.

I have said before, and I repeat that there should be a change in the title of the act. The act should read the "Retirement Pensions Act." We should emphasize constantly the objective, which is to bring about retirement so that the labour field may be left to those who are still able to earn, instead of emphasizing old age pensions.

During my municipal life I served on the old home board in Grey county. Some years ago we changed the name of that institution to the Grey county home. I know there are still places where such institutions are described as poorhouses, houses of refuge or old people's homes, and so on. I think these

things mean a great deal to the old people. In Grey county we have done away with such names as the old people's home, or the house of refuge, and so on. With respect, I say that the old age pension should be considered a retirement pension available at the age set forth in the bill. If that were done it would be greatly appreciated.

I say further, and with this I conclude, that the government could afford to deal more liberally with the blind and with those who are totally incapacitated physically, who are a great charge upon their families and are likely to become a charge upon society. In the initial stage I do not think the pension should be the full amount that would finally be awarded to an elderly person; but it should be an award, a subsistence allowance, and yet still cause the individual to exercise his own initiative and to develop his ability to earn a living for himself. I do not believe that any pension should be of such a size as either to encourage indolence or to discourage ambition and enterprise. Rather is it a reward for services, and therefore we should seek to remove from it anything that would leave the recipients feeling that they are objects of charity.

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, it is agreed, at least on this side, that the present bill is a sorry answer to the plea of the Canadian people for more humane and effective treatment of their aged. The offer to pay three-quarters of an additional $5 to those provinces which agree to pay up to $30 a month, that is to say, $3.75 per pensioner per month, is clearly not enough to take care even of the increased cost of living and, therefore, it means little.

My main objection is to the means test. The application of that test has a demoralizing effect on the old age pensioner. I have had a great deal of experience with the aged in my community. I live in a constituency where many old people are unable to qualify for the pension because previously they did not have the language qualification that was called for, and now the courts decide that they have not sufficient knowledge of the operations of our democratic way of life. I think the Canadian people would support the abolition of the means test, and I know something of the vicious effect it has on the health of the people.

A few dollars put by for their old age is extremely valuable to them, but the effect of the means test is to lower their own self respect because they feel that they are paupers having to accept charity from society. I wish every member could have seen the change that took place in the old age pensioners in our province when that government instituted free hospitalization, free medical care, free drugs, free dental and free eye treatment for old age pensioners. Let me refer to one man of seventy-five who had been gradually going blind. He had no money to pay doctor's fees to have his eyes cared for and he had become totally blind. A couple of years ago he received a card notifying him that as an old age pensioner he could get free medical treatment. He went to the doctor, who looked at his eyes and decided that an operation would cure that man, and the result is that today he can see. Twenty five dollars is very little for a person over seventy years of age to live on, and when such a person has to go and confess to a doctor that he has no money to pay him he is placed in a mean position and would rather not go. The relief which would be given by the government in taking over the obligation of seeing that these people shall have the medical and dental treatment and drugs which they need but cannot provide for themselves would be a greater step forward than anything I know.

Apparently the government in this bill indicates that it cannot go farther and cannot give $50. It cannot reduce the age limit. It is making some change in regard to the amount which old persons are allowed to have as income, but few people after seventy can earn much income, and if the government cannot carry out the other reforms that have been suggested I would urge that at least they take some steps to provide medical attention, which means so much to people over the age of seventy.

Mr. JEAN FRANÇOIS POULIOT (Temiscouata): Having listened to what has been said by hon. members, I find once more that my hon. colleagues have feelings that honour them, concerning the old people. The old age pension was instituted about twenty years ago, and since then it has been in operation in different provinces. But before 1926-27 there were old people. There were people were living to just as old an age as people live now and they were looked after by their relatives. As I mentioned yesterday, very few had to take action against their children to obtain the support that was due them, and a discussion like the one which has taken place on old age pensions would have been termed uncalled for and untimely and would have surprised the House of Commons.

But in 1925-26 a definite promise was made by the Liberal party in the famous letter to A. A. Heaps, who is now a civil servant and who was then member for Winnipeg South, that there would be an old age pension scheme after the election of 1926—1925 or 1926—and we had it. Now everybody is considered to have the same need. The reasoning is the same as that of the judge who said that all those who practised petty smuggling should be hanged the same as murderers, and the other judge who said he believed in equal justice to all and that the murderers should be fined like those who indulged in petty smuggling; the same justice for all, the same way of reasoning with regard to all the old people.

I know that what my hon. friend who has just spoken has said is true in this sense, that hospitals have done marvels for the old people; but they did marvels for the old people before the institution of the old age pension. How is it that now the state has to look after these people? It is because private charity cannot afford to look after them. But that was done before taxes were so high. When the taxes were not so heavy it was easy for people with means to give part of their income for the building and maintenance of splendid charitable institutions such as we have in the province of Quebec, but with the increase in taxation they cannot do that now and the state has come, in a socialistic manner, to provide similar help for the old and needy.

It is the great difference between two periods. In the first period, we had private enterprise when those who had more money than was necessary for their personal needs decided to give a large share to the public to help young people to get their education, to help the sick and the aged. Now taxes are so high that it is impossible for anyone to do what was done before, and that is why we have this kind of legislation.

I do not know whether I was correctly interpreted—I was not quite correctly interpreted in the press—when I said yesterday that it was possible to provide better health without spending more money. It is absolutely necessary to decide to do something, but not to pay any pension to those who are not in need of it. This will require courage; it will require determination. I understand that while a by-election in Halifax is going on, it is a bad time to make a decision of that kind. The debate on the old age pension is just an auction to bribe the old people of seventy who are not entitled to a pension in the county of Halifax or anywhere else. It is a bribe; it is an auction. It is said that we must do this and must do that. There is one thing we must do. We must help those who are in need and who have no other support. Among them are children who have no hands. There are others who suffer from infirmities, from young people to the very old. Is it not absurd to decide that it is only at forty that a man who is blind shall have a pension? If a blind man deserves a pension at forty, he deserves it as soon as he is born. We go on like that. A limit is set at forty. The minister will probably say, "I have been so advised by the officials of my department". When will the ministers stop singing that song? When will they make their own decisions? There are some decisions they have to make with their colleagues. How is it that a bureaucrat advises the minister about this policy? It is the policy of his department. Policies of his department should be submitted by him to the council; then the council will decide, and he will stand by that decision in his seat in the house. He should not ask clerks to give him advice on policy. The clerks in his department are there to execute policies. We are here to make them do so by passing laws according to the needs of the Canadian people. I may be wrong, but that is my position. I am humiliated when any minister says, "I will seek the advice of my officials". We see the minister, a man of intelligence, a man of apparent competence, but a man who cannot walk alone without the crutches of his department.

This is a serious matter. I live among certain people who have been kind to me and whom I want to help. Amongst those who receive pensions I know there are some who do not deserve them, but there are some who deserve them fully. Some who do not deserve them, have them just the same; others who deserve them, who should have had them for a long time have positively nothing. This bill will give them nothing. It is made contributory. What is that contribution? It is rad tape, because we already have government annuities. Why have two contributory systems, one in the Department of National Health and Welfare and the other in the Department of Labour, or the Department of Finance. They exchange departments at some point, and I do not know just where it is. However, there is another contributory system already in existence, and I do not see the necessity of putting a tenth wheel on the coach. Contributory! It is nonsense to suggest contributory old age pensions, because those who need them are unable to pay the contribution. That is just as clear as spring water, just as clear as daylight at noon.

I appreciate the fact that the minister invited me to some parleys to discuss the matter of old age pensions. I thank him very much, but I have not been there because I know that any suggestion made by any member is worth nothing unless it is supported by some minor official of the minister's department. So here we are. I will not say any more because it is useless. Some of my colleagues have suggested that I should bring in an amendment to provide for a differentiation, a sorting of those who really need old age pensions and those who do not. I will make no amendment. I have offered some ideas and some suggestions. But I know very well that any suggestion or any amendment made by any member will be useless. Only the bureaucrats run the business. I am sorry, but I have seen people suffering so greatly, people in need, people who are old, that I think it is time their grievances were laid before parliament. I have letters in my pocket to illustrate what I am saying. There are just a few. I have countless letters of the kind. Here is one from a parish priest which says, "I have in parish Mr. and Mrs. So-and-so who are in need. Both are sick. To keep house the wife should have a maid. She is sick and he is deaf. He also is sick. He suffers from the heart. In spite of the allowances and assistance to needy mothers there will be some cases here and there which will not benefit from it."

That is signed by a parish priest. They do not always want to go to the hospital. They could go there under the public assistance regulations, but they want to stay together in their home. With a little help they could be looked after, they could pay the doctor and have some assistance. But they are given nothing. They have not reached the age of seventy! It is only at seventy that one becomes old and needy! I have numerous letters like that about people who really deserve consideration, people who were well off at one time but who have lost all they had, and others who have been sick—people who deserve consideration. But the limit has been set at seventy, and it will be seventy. The minister is asking $20,000,000 for the needy children of Europe, and I agree to that. We cannot have $1,000,000 to fix up these cases, but we can have $20,000,000 for other children. It is all right to give $20,000,000 to the needy children of Europe, provided that the needy children are not people with long beards. But if it is done for outside, it must be done at home here. Yesterday everybody applauded when it was done for another country. But when we want some help for the people of this country we cannot have it. Seventy years! It did not happen a long time ago. It happened yesterday. I am in full sympathy with helping everyone who is in need, but why give the same help to those who are not in need? The earth will continue to turn around. People will attach no importance to it. They will say it is all right. Those who suffer far away are of no importance at all. It we make a distinction between those who need the pension and those who do not, we may displease a few. We might just as well let those who are sick and suffering from infirmities continue to suffer. It is all right. We do not see them. They are poor. They are far away. They will not write us. It is just the same as if they did not belong to our own land. That is the way it goes. One could go anywhere, even here in Ottawa, and see people who are suffering. Some people are on the street selling pencils. Is it not a shame for a man to sit on the sidewalk and sell pencils at the door of the big stores in Montreal or even here in Ottawa? That man should have some comfort in life. He has been deprived of his legs, and sometimes of his arms. He is entitled to some comfort. Well, they are there on the street; they are all right. It is all right for them. Those men are entitled to pensions as much as some rich men over seventy.

Let me explain how the payment of pensions, and even an increase in the payment, will not cost any more than the amount now spent for old age pensions. Let me point out how it will not cost any more, even if pensions are increased in needy cases. This can be done if the state will get rid of all the parasites who are exploiting the state, who consider the state to be something like a milch cow. They can be put aside, and that money used to increase pensions for the needy so that, if required, they can have their doctors. They can improve their conditions of life and have a few moments of sunshine before quitting this world to go to a better one. The reduction which can be made will be profitable to others; even the government may save money.

I have one further observation, and I shall have finished. In the hearts of the people there is a deep sense of justice. When they see something unjust happening they say there is something wrong. When assistance to the people has certain limitations they wonder why those who are outside are not brought in to be looked after properly. When the right thing is not being done we often hear severe judgment passed by the people, when they say, "We live in an unjust world."

Why is it an unjust world? Because parasites in the Department of National Health and Welfare, whom I have already denounced, are too lazy to do the necessary work of selection. It is impossible to make them move. I have already complained about them. They are parasites who come from all over the world. They are not progressive. They are there just for their jobs, and I denounce them as strongly now as I did when the Minister of Veterans Affairs (Mr. Mackenzie) had the health branch under his supervision.

The other day I was passing through Montreal. A man shook hands with me and said, "You were right in complaining." He was referring to a one-language official of the department who had been so hard on the bilinguals when he was connected with the air force. I denounced him in the house, and two or three years after he was so grateful he thanked me for what I had done.

I will say they are not all like that. There are a few laudable exceptions. But at the present time it is impossible to bring the attention of the Department of National Health and Welfare to the realities of life. I want them to help those who are poor; I want them to help those who are needy; and if they have to make a sacrifice of the votes of those few who receive pensions without being entitled to them, let us cut the string and give a chance to the needy ones.

Mr. JAQUES: Mr. Speaker—

Mr. MARTIN: Mr. Speaker, I believe the hon. member will realize that in a debate of this kind I should have an opportunity to reply. The hon. member will have an opportunity to speak when we reach committee. I can merely urge that upon him, but I had understood that was the manner in which the debate would proceed.

Mr. JAQUES: Would that prevent my speaking?

Mr. MARTIN: If I speak now I shall close the debate; but I thought my hon. friend was prepared to speak when we reach the committee stage of the bill.

Mr. POULIOT: I rise to a point of order. The hon. member has not clearly understood what was said. If the hon. member takes his seat he will be tendering a favour to the minister. But he has a right to speak now.

Mr. NORMAN JAQUES (Wetaskiwin): I do not wish to take up too much time, and I do not think I will prevent the minister from speaking before six o'clock. In all the years I have been in the house I have always spoken with respect to old age pensions, and I feel I should like to say something at this time. I shall be brief, and I have no intention of being technical.

I have listened as usual, to the speeches of hon. members who have preceded me. It seems to me that many of them have occupied themselves with the methods of paying the pension when, as members, we should be concerned only with the policy, and consideration of the question as to whether Canada should pay a better pension to her old people or should be content to continue to pay the pittance the old people are now receiving.

Owing to the increased cost of living, the present pension is not as good as it was before the war, despite the slight increase proposed in the bill. It has been said in the house times without number, and not only by private members but by the Prime Minister (Mr. Mackenzie King) himself, that anything physically possible and desirable can be made financially possible. So that what we should concern ouselves with is whether or not we are justified in increasing the pension to our old people; we should leave methods to experts.

What do the old people need. Merely food, clothing and shelter. So that all we have to ask ourselves is this: Can Canada provide the necessary food, clothing and shelter for the old people? If not, then I suggest that we should have an inquiry into the reason why we cannot, and we should leave off talking about the immense riches of our country.

I do not think any hon. member would doubt for a moment that the productive power of Canada is ample to provide food, clothing and shelter for our old people. Who is to pay for this pension? Obviously, as the then Minister of Finance, the present Minister of Justice (Mr. Ilsley), said during the first days of the war, when the question was asked how the war was to be paid for: "The cost of the war must come out of the current production." And so with old age pensions, the cost must come out of current production. Luckily for our old people, Canada produces more food, clothing and shelter than is needed; we have a surplus; we are on an exporting basis. Therefore there is no reason why the raising of the standard of living, because that is what it means, of our old people should entail a lowering of the standard of living of the rest of the people. It is true that during a war, when the bulk of the population is engaged in the war effort, either in the armed forces or in making munitions, a reduction in living standards would be reflected by old age pensions. One of the reasons why we in this group did not press the matter too strongly during the war was that we realized that the

war entailed a lowering of the standards of living for everybody. But that time is in the past, and we shall soon be faced with the necessity of finding markets for what we can and do produce. I say with the hon. member for Temiscouata (Mr. Pouliot) that the needs of our people should come before the needs of any other people in any other country. When our own needs are satisfied, it will be the time to consider the people in other countries.

There is the question of whether these pensions should be contributory or non-contributory. I have always advocated non-contributory pensions, because I can see that a contributory scheme would provide tremendous control over the workers of this country who would be paying into a fund for the greater part of their lives. They could be made to toe the line by a threat of loss of pension rights, and for that reason, among others, I have always opposed a contributory pension scheme.

Some people think that if everyone were thrifty and saved his money there would be no need of old age pensions; they seem to think that those who are not thrifty should be penalized by having to forgo pensions. It seems to me that an old age pension is not given as a reward for thrift; it is paid or should be paid as a right to any human being who arrives at the age or at the state of health which prevents or handicaps him from earning a full living for himself.

What is the opinion of the people of Canada as a whole with regard to this matter? Have they registered their desires in connection with it? From the letters I have received, not only from people in my own riding, but from people all over Canada, there is no doubt in my mind that the vast majority of Canadians favour a larger pension paid at an earlier age. I cannot see why the members of this house should not feel free to reflect the opinions of the majority of the Canadian people. If those people demand a larger old age pension, then it is up to the members of parliament to meet their wishes.

If a vote against this bill did not involve a vote of non-confidence or a vote of censure; if every hon. member voted exactly the way he felt, I have no doubt that there would be an overwhelming vote for larger pensions to be paid at an earlier age. I have let it be known that I intend to vote against the bill. I have been told by some that people will say I voted against increasing the pension by $5. But, I can imagine the minister who has charge of this bill saying to the cabinet, "I do not believe that the members will agree to such a miserable addition to the pension; I think there will be a lot of opposition to it," and I can imagine some other member of the cabinet saying, "They may talk about it but they dare not vote against it; they will be frightened to vote against it because of what their constituents might say."

When I vote against this bill I am not voting against the Liberal government. I am not trying, nor do I hope to defeat the present government. My sole purpose in voting against this bill is to register my protest in the only way I can, to make clear what I think of the miserable pension that is to be paid to our old people. For those reasons and those reasons only I shall be forced to vote against the bill.

Mr. A. L. SMITH (Calgary West): Mr. Speaker, I shall not detain the house for more than five minutes. I have not spoken for some time either on this bill or on the amendment or anything else. I want to point out two things, without, I hope, threshing old straw. In the old age pension aspect of the question I agree largely with the first speech made by the hon. member for Temiscouata (Mr. Pouliot). It seems to me that what we are all seeking to do here is to provide help for the needy; and, having listened to this debate, I am convinced that we are not going at that in the proper way. We are piecemealing things rather than having some integrated scheme in Canada to look after our needy people, the needy by age, illness, blindness and in any other way.

It has been stated by some in this house that the dominion government are doing so-and-so and the provinces have the opportunity of making their own additions. That may be true, Mr. Speaker, in two provinces. It is untrue in seven, because seven provinces are on the dole from this dominion government, exactly as it is suggested that the old age pensioner will be on the dole. In other words, those seven provinces have a confined budget, outside of which they cannot expand. That is all I am saying about that.

I wish to say one word with respect to our blind people. I hope the minister when he replies will give some reason why pensions for our blind should not begin until forty years of age. I was very much impressed by the argument of the hon. member for Outremont (Mr. Rinfret), that a reduction of the pensionable age for the blind from forty to twenty or twenty-one could involve only a very small expenditure. My memory is that it was very small, comparably, in any event. Again I say that when a person has reached that point where he is not a natural charge on his parents as most of us are through our school years—I am not admitting that I

was in that class because I went through school and I earned plenty of money in the holidays in years gone by—I can see no reason and none has so far been advanced by anyone why the pension for the blind should not begin at least when that person becomes of age. I trust that the minister in the kindness of his heart will probably change his mind and agree with that suggestion which seems to meet with general approval from all members of this house. I am one minute short of my five, Mr. Speaker.

Mr. L. W. SKEY (Trinity): Mr. Speaker, may I say a word in support of what the hon. member for Calgary West (Mr. Smith) has just said with respect to pensions for the blind. I believe that the Department of National Health and Welfare will find the experience of D.V.A. in these things of great use to them. I advocate, not only that pensions for the blind should begin at the age of twenty-one, but that the department spend more money and in some cases perhaps quite a bit more on placing blind people in a position where they can support themselves. I am sure they will find that every dollar spent on rehabilitation in that way will pay for itself ten times over.

Hon. PAUL MARTIN (Minister of National Health and Welfare): Mr. Speaker, a debate such as this one places on the minister in charge of the bill the responsibility of replying; and, because of the variety of opinions which have been expressed, I think the reply should be not needlessly long, but, in the light of what has been said, detailed enough to put forward the other point of view.

I have listened to those who have urged that the bill was a wholly inadequate one, and in my description of their characterization of the bill from that point of view I am being extremely generous. Some hon. members have referred to the government and to my person as indulging in a form of cruelty that should not be countenanced by this house. I think we have just had from the hon. member for Calgary West (Mr. Smith) the kind of approach that one should use in dealing with this problem. No one in this house, no matter where he sits, has in his heart anything but a desire, I am sure, in the light of his responsibilities, to do the right thing for the particular class of people who are covered by this amending bill.

Mr. GILLIS: May I ask the hon. minister a question now?

Mr. MARTIN: I did want to finish my remarks.

Mr. SPEAKER: The hon. member knows that when another member has the floor he must not ask questions.

Mr. MARTIN: I shall be glad to answer questions in committee. I prefer not to have any questions now.

Mr. GILLIS: I think I am one of the members—

Mr. SPEAKER: Order. I would ask the hon. member to resume his seat.

Mr. MARTIN: In committee I shall be only too glad to answer questions.

Mr. GILLIS: It would not be relevant in committee.

Mr. SPEAKER: Order.

Mr. MARTIN: What I suggest to the house is that we realize that what we are debating is a specific and concrete suggestion in the form of a bill. A good bit of the discussion we have heard, some of it emotional—and I am not complaining of that—has had no real relevancy to the actual provisions of the bill as outlined in my initial statement. Some have referred to this measure as a peanut, and so on. Let us see whether that suggestion has any relevancy to the bill.

The financial commitment involved in this bill representing the sum of $20,000,000 is as much as all the provinces combined are now paying in old age pensions. When hon. members say that this bill does not represent a progressive step, when they deny the language of the hon. member for Spadina (Mr. Croll), I do not think they have addressed themselves—and I say this with great respect—to the implications and the clauses of the bill.

Is it out of the question to suggest that another indication of the importance of this measure is the number of new pensioners who will go on pension as a result of this bill? There are 217,000 people of the age of seventy and over who are now receiving old age pensions in Canada. Of those 217,000, some 7,000 are blind persons. There are 539,000 old aged persons in Canada, seventy and over. By this bill, which, on the admission in the opening statement of the government, was said to be not a permanent measure but an interim measure, 60,000 people who have not under the existing law been able to receive one cent by way of old age pension will come under its provisions. To the hon. member for Wetaskiwin (Mr. Jaques), who said that he would vote against this bill, I say that is for him to say, but in voting against this bill he is voting against 60,000 people getting pension for the first time.

I am sure that some hon. members have overlooked the fact—they can dismiss it, but dismissing it does not deal with the issue—that, under this bill, the provisions as to outside income which the pensioner may have and yet get his pension place us ahead of New Zealand, ahead of Australia, ahead of Great Britain.

Mr. COLDWELL: Years later.

Mr. MARTIN: And hon. gentlemen say that it is not an important measure when it does that very thing. This bill does not remove the means test, but it will give a more generous means test than can be found in any other country in the world. When hon. gentlemen—

Mr. JACKMAN: $120.

Mr. MARTIN: When hon. gentlemen speak of this in the way that they have done I suggest that they could not have read the bill carefully. It may be that some did not want to read it carefully. Every country in the world has a means test. Hon. gentlemen speak about the means test as though Canada were the only country in the world that had such an imposition. New Zealand has a means test; Great Britain has a means test—

An hon. MEMBER: No, it has not.

Mr. MARTIN: The United States has a means test; Australia has a means test. I say that our means test system, as a result of this bill, is more liberal than that of the other countries I have cited.

I do not want to take up too much time. I hope I can finish by six o'clock; I must. But I do want to say this to the leader of the opposition (Mr. Bracken). He occupies in this house a position which perhaps in the eyes of the public, and properly so, and of parliament is greater than that of any other hon. member sitting opposite. On that account the words that he uses have a special significance and deserve special attention. With his permission I propose to pay special attention for a few moments to what he said in this house when he replied to me. I did not think the hon. gentleman really would be guilty of saying what he actually said in the debate, in the face of what I, as a minister of the crown, had just said. His words have gone across the country, and I must take this and other means to reply to them.

Mr. BRACKEN: What the minister says will be replied to also.

Mr. MARTIN: I sincerely hope so. What I want to point out to the hon. gentleman is this. In the shadow of his remarks was the implication that if he had the opportunity he would do something that this administration has not had the courage to do. Let us look at the facts of the case. The first proposal for old age pensions by any administration came from the government headed by the present Prime Minister (Mr. Mackenzie King) in 1926. That bill was defeated in another place by gentlemen of the same political tinge as my hon. friend. That bill was opposed in this house by the then leader of the Conservative party, the Right Hon. Arthur Meighen, in the most denunciatory terms which I think I have ever read in *Hansard*, and which are available if my hon. friend wishes to make a similar retort.

Then the hon. gentleman went on to say what he would do and what they would do, free from responsibility, enjoying the luxury of opposition, forgetting that in 1930 there was in this country a Conservative government under the leadership of the present Lord Bennett, at a time when this country was suffering economic deprivations the like of which it had never suffered before. Between 1930 and 1935 was the time, the special time, when the old age pensioners had the right, if they ever had the right at any time, to go to a government and ask for relief. But did the government of that day, headed by my hon. friend who is now the leader of the opposition, do anything at that time to improve the status of the old age pensioners? No. At that time my hon. friend was the premier of a province, and let us see what he did when he was the premier of that province.

An hon. MEMBER: And a Liberal.

Mr. MARTIN: In 1927 the bill became law. My hon. friend waited for a year—

Mr. GILLIS: He was a Liberal at that time.

Mr. MARTIN:—before he brought in an act by which in Manitoba he could take advantage of the old age pensions legislation passed by this parliament. He waited a year, and, using the kind of argument which he uses, I say to him that for a whole year he deprived the old age pensioners of Manitoba of something which this government was prepared to give them. Then what happened? My hon. friend ceased to be premier of Manitoba in December, 1942. He became the leader of a great political party. Then three months after his going out of office the present government of Manitoba did something which for fifteen years he had failed to do, namely, to increase the old age supplement payable by the province of Manitoba on top of what had been paid. Therefore I say by a man's deeds he

shall be judged, and not by statements made in the heat of debate in respect of a vitally important matter.

Mr. BRACKEN: Will the minister give us the date on which that supplement was paid?

Mr. MARTIN: It was passed on March 17, 1943, and made retroactive to January 1, but it was passed when my hon. friend was no longer a member of the government, but when his ambitions were lying in other channels.

So that the record can be clear, my hon. friend made a speech in this city about eleven weeks ago, speaking at the Chateau Laurier at a banquet of the Progressive Conservative association. I shall now quote from the Ottawa *Journal* of Saturday, March 29. I should like to place it on record in the light of what my hon. friend said when he replied to my statement, and I ask any hon. member to put this statement against what he said they would do, and to judge as to the likelihood of my hon. friend dealing in a responsible way with this matter. He said:

When the cost of paternalism reaches the stage that it lessens production and services, what we then have is not an increase in social security, but a decrease in the material prosperity of all.

Up to now the government has been taxing us five times as high as before the war. Even after it makes its promised reduction, the tax load will be four times as high as before the war. On the basis of its own figures, the government ought to bring in a reduction of 33 per cent all round. Before the war, taxation and other revenues amounted to some $500 million. Owing to the government's extravagance and heavy commitments, it will probably exact $2 billion from the Canadian taxpayer this year.

You cannot ask for a reduction of taxation in one breath and make proposals that will involve commitments in another. It is all very well for an hon. member who has not the responsibility of the leader of the opposition to do that, but the proposals that he made would call upon the administration of this country to expend not less than $340 million. I take second place to no man in this house in my desire to do something for those who can benefit from social security, and my whole life shows it; but I am not going to make political promises when I know full well that these promises, in the light of all other contingent obligations, cannot be realized at the present time.

I could go on and show that it was the same hon. gentleman who expressed certain views about family allowances, but more of that on another occasion. What my hon. friend can do is seriously to consider what I said about the government's over-all security proposals made to the provinces in August, 1945. If he does not accept my assurances I call to witness the words of the present Minister of Justice (Mr. Ilsley) when he was Minister of Finance last July, when he said that once we had a fiscal understanding with the provinces, the government's social security programme represented an essential part of the government's objectives.

I call to witness the statement of the present Minister of Finance (Mr. Abbott) twice this year, once in Toronto and once in this house. I call attention to my own statements as a responsible minister of the crown. But if that does not satisfy the hon. gentleman, let me remind him of the words of the Prime Minister in a telegram sent to the premier of Saskatchewan on July 15, 1946, and reiterated three times since in subsequent communications. This is what the Prime Minister of Canada said:

As emphasized in the budget address, the public investment and social security proposals submitted last August remain an essential part of the dominion government's programme. As soon as there is sufficient acceptance of the proposed tax agreements we shall be ready to explore, in a general conference, or otherwise, the possibilities of working out mutually satisfactory arrangements in regard to the whole or any part of our earlier public investment and social security proposals.

Mr. BRACKEN: Another excuse for delay.

Mr. MARTIN: My hon. friend repeats parrot-like the same observation, but there is the statement of the head of the government.

Mr. GRAYDON: You are being a parrot yourself, are you not?

Mr. MARTIN: If my hon. friend can exercise the same energy which he has shown in this debate in addressing himself to the premiers of the two provinces still standing out, I think he will contribute more to the solution of this problem.

Mr. BRACKEN: Only an excuse for delay.

Mr. MARTIN: I will go farther. The attitude I am taking in this debate today is the attitude which my hon. friend took, speaking on this very floor, in this very building, at the opening of the Rowell-Sirois conference. Let me repeat our view with regard to this matter. On the social security side, the proposals prepare the way for a system of national old age pensions payable at seventy years, with no means test and entirely financed by the federal government. A further programme was proposed of old age assistance at sixty-five to sixty-nine, financed jointly by the provinces and the dominion. That is a responsible undertaking. It is a colossal undertaking

if hon. gentlemen will realize the cost involved—that together with health insurance. I want to see these things done, but I do not want to see the people told that they can be done unless we have the necessary arrangement with those other agencies of government without which we cannot do these things. The hon. member for Vancouver North (Mr. Sinclair) and the hon. member for Comox-Alberni (Mr. Gibson) made a suggestion as to what they thought should be done. Of course, the proposed resolution of theirs would be out of order, but I want them to know that the objectives they have in mind are objectives that this government is anxious, in the light of its commitments, in the light of its arrangements with the provinces, to try to bring about.

Let it not be forgotten that this measure, unimportant as some hon. gentlemen have said it was, will, when it becomes law, represent on the part of this government, and on the part of the provinces, an expenditure of $100,000,000 on old age pensions. I want to see more than old age pensions—the sort of thing the hon. member for Temiscouata (Mr. Pouliot) talked about, the sort of thing my colleague the hon. member for Essex West (Mr. Brown) talked about, the sort of thing the hon. member for Nanaimo (Mr. Pearkes) talked about. Those are things I should like to see done, but those are measures which we shall never bring about if we put every egg we have in one basket. That surely is clear. Those who, like the hon. gentlemen of the Cooperative Commonwealth Federation, have been advocating $50 a month—which would cost $560 million in 1948, $611 million in 1951, $769 million in 1961 and $914 million in 1971— when they realize what they have really advocated, must, on reflection, conclude that you cannot have a broad system of social security if you enter into such colossal commitments on any one item, without regard to the entire pattern. And are those commitments much more outlandish than the proposal of $60 a month by hon. gentlemen in the rear, which would cost in the years mentioned, $672 million, $733 million, $923 million and $1,097 million?

I want to see health insurance, and I will do all I can to bring it about, but it will not be brought about by an unbalanced programme that does not bear a relation to the whole scheme one has in mind.

I have been charged with criticism because I was shouldering on the provinces a responsibility which they should not be asked to bear. The house will remember that the day after this bill was introduced the province of Ontario announced its increase of $40. As a result of this measure, as envisaged in the speech from the throne, five provinces have now increased their supplements, with the result that now, in consequence of this bill, we shall have a basic pension, not of $30, but in six provinces a basic pension above that amount—$38.75 in British Columbia, $33.75 in Alberta, $33.75 in Saskatchewan and $40 in Ontario—

Mr. GRAYDON: Good old Ontario.

Mr. MARTIN: —I want to say that that is all as a result of the government's declared intention to introduce this bill.

Mr. GRAYDON: Thank George Drew for it.

Mr. MARTIN: This government is spending now $48 million on old age pensions as opposed to $17 million spent by the provinces, apart from supplements. As a result of this bill, we shall be spending $68 million as compared with the present expenditure of $17 million by the provinces apart from supplements. In the light of that; in the light of a responsibility which constitutionally does not belong here solely, if at all, is it unfair to suggest, as I have suggested, that the provinces should bear a greater share than they have done to date? And to my hon. friends of the C.C.F. I would say that if they really believe what they say, they have the same opportunity of doing what I think my hon. friend the leader of the opposition (Mr. Bracken) did and what the member for Eglinton (Mr. Fleming) did. They called up George Drew on the telephone and said, "You had better increase your pension as a result of Martin's bill."

Mr. COLDWELL: In the richest province of Canada.

Mr. CASSELMAN: Dirty politics.

Mr. BRACKEN: The minister made a deliberate misstatement, and I ask him to withdraw it. There was no telephone conversation between me and George Drew on this or anything relating to it.

Mr. MARTIN: The hon. gentleman tells me he did not telephone George Drew. Therefore I take it there is no telephonic relationship.

Mr. STIRLING: That is typical, absolutely typical.

Mr. BRACKEN: I ask the minister to withdraw that statement.

Mr. MARTIN: I withdraw the observation that the hon. gentleman telephoned George Drew.

Mr. STIRLING: It is typical.

Mr. MARTIN: I say, and I say it sincerely—

Mr. ROWE: On a point of order, Mr. Speaker—

Some hon. MEMBERS: Sit down.

Mr. ROWE: On a point of order, I would ask the minister, in the absence of the hon. member for Eglinton, to withdraw his reference to that hon. gentleman, because the minister deliberately said that both hon. gentlemen telephoned George Drew.

Mr. MARTIN: Quite right. The hon. gentleman not being here, I will say he was not in telephone conversation with George Drew. What I am concerned about is that, my hon. friends opposite having placed the responsibility on us—

Mr. KNOWLES: Where it belongs.

Mr. MARTIN: —they should not hesitate to accept some responsibility themselves. I admired the member for Vancouver East (Mr. MacInnis) the other day when he said that the C.C.F. in opposition is not like the C.C.F. in a government.

Mr. MacINNIS: I did not say that.

Mr. COLDWELL: He did not say that; nothing of the kind.

Mr. MacINNIS: I did not say anything of the kind that the minister says I said. I do not think the minister should object to interruptions because he has continually interrupted every speaker in this debate.

Mr. MARTIN: I withdraw, Mr. Speaker. In the drafting of this measure, I have not relied only on my own judgment or that of my department. I ask my hon. friends of the C.C.F. to read what Doctor H. M. Cassidy, whose judgment in these things is placed as the highest in this country, has to say. If they will read his book entitled "Public Health and Welfare Organization" they will see these words:

> The key to success will be agreement that there must be a partnership between the three levels of government in operating the system. Only as this partnership is worked out on equitable terms, only as it operates with understanding and tolerance among the partners and only as they feel that each is pulling his full share is the system likely to be successful.

This government is spending almost $700,000,000—and I am saying this with all the sincerity I have—on various forms of social security, health and welfare. That is a great sum of money. In the light of what the provinces have in the way of responsibility, when they are spending a total of only $17,000,000 on old age pensions, and when that represents in some provinces but a couple of millions, as compared with our assumption of hundreds of millions—

Mr. MacINNIS: As compared with what you have to spend on it.

Mr. MARTIN: —I do not think it is an unfair suggestion.

Mr. COLDWELL: May I ask the minister a question?

An hon. MEMBER: Sit down.

Mr. SPEAKER: Order.

Mr. COLDWELL: I allowed the minister to ask me a number of questions.

Mr. MARTIN: Go ahead.

Mr. COLDWELL: The question I wanted to ask is this. If the minister believes what he now says and if this government believes that, why did the Prime Minister (Mr. Mackenzie King) demand on June 2, 1931, of the government then in power, that the federal authority should bear the entire cost of old age pensions?

Mr. MARTIN: If my hon. friend wants the partially discarded opinions of somebody else, he is welcome to them.

Mr. GRAYDON: That is your own Prime Minister.

Mr. MARTIN: I said if my friend wants the discarded opinion.

Mr. SPEAKER: Order.

Mr. MARTIN: Let us be honest about this. We alone cannot bring about social security in this country. No central government alone can. But if on the municipal level and on this level we cooperate together, we can bring about what this government had tried to do, namely, social and economic security for the people of Canada, the most fortunate among the nations of the world.

Mr. GILLIS: I am not going to debate the question, Mr. Speaker, but I should like to ask the minister a question in order to complete the record.

Some hon. MEMBERS: No, no.

Mr. SPEAKER: Order.

Mr. GILLIS: He mentioned figures.

Mr. MACKENZIE: The Speaker is on his feet.

Mr. SPEAKER: I would ask the hon. member to resume his seat.

Mr. GILLIS: I cannot ask the minister a question?

Some hon. MEMBERS: No.

Mr. MACKENZIE: You can in committee.

Mr. GILLIS: And you call this a free parliament; you call it democracy!

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

Mr. GRAYDON: We had better change the title of the bill to "The Political Old Age Pensions Act".

Mr. CASSELMAN: That is what it is. The minister asks for courtesy and gives none.

Progress reported.

PRIVILEGE

MR. GRAYDON—REFERENCE TO REMARKS MADE IN DEBATE ON JUNE 24

Mr. GORDON GRAYDON (Peel): Mr. Speaker, I wish to rise to a question of privilege for the purpose of making an explanation with reference to the *Hansard* report of yesterday's debate on the united nations matter. It escaped me at two o'clock, and I might perhaps be allowed to do it now. At page 4572 the hon. member for Lethbridge (Mr. Blackmore) is reported to have said, "What about the British commonwealth?" Then my remarks follow:

I will not argue with my hon. friend because his views and mine on this matter do not meet.

I wanted to make this explanation, Mr. Speaker. In the noise which hon. members will recall accompanied part of the debate, I did not hear clearly the interruption made by the hon. member for Lethbridge. I wanted to indicate to the house that my reference was not to his views with respect to the British commonwealth but to his views with respect to some aspects of the united nations organization.

At six o'clock the house took recess.

After Recess

The house resumed at seven o'clock.

SUPPLY

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

DEPARTMENT OF THE SECRETARY OF STATE

366. Departmental administration, $126,198.

Mr. GRAYDON: Mr. Chairman, before the item carries, I should like to discuss a matter of general interest, and what I shall have to say is not directed particularly to the department now before the committee. However I feel that this item for departmental administration affords me an opportunity of saying what I have in mind.

In recent years parliamentary sessions have been extending far beyond the traditional spaces of time they occupied in former years. While I shall not take time to consult the records, anyone who looks into them will find that in earlier days sessions of parliament were nearly always completed before the end of the period of spring, and that it was seldom they ran into the time of year which, in recent years, has become our custom.

This fact may have had some bearing on the time at which departmental reports have been compiled. What actually happens is that in departmental reports matters which were of interest more than two years before are discussed. For instance, a matter in a departmental report which appears under the date of April, 1945, is now being dealt with in June, 1947. That is a condition which is common in reports coming before the house at this time.

The last report for the Department of the Secretary of State—and I do not criticize this department particularly, because it is common to all—is for the year ended March 31, 1946, and contains information relative to that department as far back as April, 1945. What I am about to say is not said by way of criticism, but rather in an effort to be constructive. My thought is that if we are to overhaul our method of procedure, we ought also to overhaul our system of presenting departmental reports. If we are to continue to sit into July—and apparently we are, from time to time—I believe some change must be made in this regard. The fact that we do sit into the summer months is a fact for which possibly all in the house must accept a share of responsibility.

On the other hand, I believe that we ought not to be asked to deal with something in a departmental report which might be classed as ancient history. I am wondering whether a report of a department such as this one could not be brought down as a report of the fiscal year ending March 31, 1947, rather than 1946.

Immediately the minister's answer, and that of his officials, will be that it is impossible to get the information in time. I fancy, however, that is a specious explanation, because in times of war and peace we have done much more difficult things than compiling reports and having them in shape for presentation at a session of parliament. My suggestion is that departmental reporting should be brought up to date, so that we may not be asked to

deal with matters in a report which, on occasions, have developed more than two years earlier. Those events have become ancient history and do not serve as a useful guide as to the activities of the department in question.

I am discussing the matter in a general way because I believe it is something worthy of investigation, with a view to improvement.

Mr. HAZEN: I am interested in what has been said by the hon. member for Peel. This afternoon when I learned that the estimates for the Department of the Secretary of State were to be placed before the committee I went to the distribution branch in this building and asked for a copy of the report of the Department of the Secretary of State. Upon being given the report, I took it to my office and commenced looking into it. Upon looking at the front page, I found that the report I had been given was for the year ended March 31, 1946. I went back to the distribution office and asked Mr. Gray if he could let me have a copy of the report of the Department of the Secretary of State for March 31, 1947. He told me it had not yet come out. In looking through the report for 1946, I noticed a heading, "Naturalization branch", and I suppose in the report for 1947 that heading would be changed to "Citizenship branch". There would be a lot of information under that heading dealing with the period up to March 31, 1947, which is not in the report that was handed to me.

Mr. GRAYDON: Perhaps someone in the government should make some comment on this matter.

Mr. MACKENZIE: I must say that I have a lot of sympathy with the hon. member for Peel. I have always thought that reports were not presented soon enough for the convenience of members of parliament. I realize that there are difficulties—and these are known to my colleague—with regard to revision and supervision by the auditor general. I believe there should be more expedition in submitting all these reports to parliament.

Mr. HAZEN: What steps are being taken to provide adequate accommodation for the patent office? During the consideration of the bill to amend the Patent Act by the banking and commerce committee, evidence was given which satisfied me, and I think it satisfied all members of the committee, that the patent office required more space if it were to carry on its work in a satisfactory manner. Mr. J. T. Mitchell, commissioner of patents, stated that there were only 12,000 square feet of space, while he had asked for 70,000 square feet. It certainly was apparent from the evidence given before the committee that more room is required for this work.

Not only is more space required, but additional staff are also required. If there were a staff of fifty patent examiners and 110 to 120 clerks we would be able to handle these patent applications much more satisfactorily. I realize that there is difficulty in getting more staff and in training these men, and there is the question of adequate salaries and the losses incurred by men leaving their positions and taking positions with private firms. The housing situation is another problem. There may be men who would like to take positions, but when they look into the housing situation they decide not to go any further with their applications. What steps are being taken to obtain adequate staff?

It may come as a surprise or perhaps even as a shock to hon. members to know that, because of insufficiency of office space and inadequacy of staff in the patent office, the average length of time between the filing of an application for a patent and the date when the examination is commenced is eighteen months. Evidence was given before the committee that in the case of 121 patents which had been issued on February 25 last, a period of three years had elapsed between the filing of the application and the granting of the patent.

Something should be done about enlarging the space in order that the work may be satisfactorily carried on, and the staff should be increased. I know that the receipts by the patent office are greatly in excess of the expenditures. Apparently this is one department of government which carries itself. I have not the figures here, but I think I am safe in saying that the surplus of receipts over expenditures averages over $200,000 a year.

Hon. COLIN GIBSON (Secretary of State): I am glad to be able to assure my hon. friend that this matter is being looked into. One of the first things I found in my department was that the staff of the patent office was totally inadequate and that the office itself was in most undesirable surroundings. The Department of National Defence is moving out of the Woods building and the annex, now known as the Canada building, and the patent office is to be moved there. Some floors are already available, and I have taken steps to have some of the branches of the patent office, now in outlying buildings, moved to the Canada building. I am hoping that in a short time we shall be able to have the whole patent office installed in that building.

Mr. BLACKMORE: Does the minister expect to have any difficulty in obtaining personnel for the department?

Mr. GIBSON (Hamilton West): I suppose this matter should be taken up under the item dealing with the patent office, but I can say that there has been difficulty in securing staff. Just the other day we told two applicants that we had positions for them, but in the meantime they had secured other employment. When we are in the enlarged quarters to which we intend to move it will be possible to fill positions without having applicants wait and possibly secure other positions in the meantime. In that way we shall be more likely to secure the necessary staff to undertake the work.

Mr. PEARKES: I do not know of any other item under which I could ask this question. On May 5 a return was tabled in answer to a question I had asked with regard to the number of foreign awards which had been granted to the Canadian armed forces. The return showed that 1,475 foreign awards had been granted to personnel of the Canadian army.

Mr. GIBSON (Hamilton West): I must object to this matter being brought up under my estimates. While returns are tabled by the Secretary of State, the information contained therein is not prepared by him. The information can be secured from the Minister of National Defence.

Mr. PEARKES: Is the deputy of the Secretary of State not the chairman of the committee on honours and awards, and therefore is this question not proper?

Mr. GIBSON (Hamilton West): Those are civilian honours and awards, and have nothing to do with military awards at all.

Mr. McLURE: I asked this question last year but did not get an explanation. Looking over the details of the estimates, I find an item of $35,400 for temporary assistance under item 366, and on the same page another item of $24,000 for temporary assistance. The total amount for temporary assistance in this department is from $430,000 to $440,000, and no explanation has ever been given why these amounts for temporary assistance are carried through all the estimates.

Mr. GIBSON (Hamilton West): In the department we have permanent civil servants and others who are acting in a temporary capacity. The department has not a very high percentage of permanent employees. The civil service commission is conducting examinations of those who came out of the armed forces, and these temporary employees will by degrees decrease in number. There are a certain number of temporary employees in every department who have not been given permanent status.

Mr. McLURE: Temporary assistance in all the departments accounts for a total of $121,000,000, and yet no report is given to the house as to just where the money goes.

Mr. BLAIR: Has the government given consideration to the establishment of a national library for Canada? I do not know whether this comes under the minister's department; I am not sure what department it would come under, but there seems to be a general demand for a national library for Canada.

Mr. GIBSON (Hamilton West): That question is, I think, properly asked here. We have no national library, but I have received a great many representations from organizations from one end of Canada to the other as to the desirability of organizing a national library for Canada. The brief submitted was, I thought, very reasonable. They did not suggest that we should spend one or two million dollars at the outset in putting up a building, but that a committee be appointed, consisting of one librarian and a small staff, who would find out and catalogue from the libraries of this country what books are available to assist students, and from that gradually work up to a national library and a building which would probably be situated in Ottawa. At the present time all Canadian publications are filed with the library of parliament, and that is not altogether a suitable place. I am having the matter considered at the present time, and I think a committee of the library of parliament is also giving the matter consideration to find out the best step to take first.

Item agreed to.

367. Citizenship registration branch, $74,775.

Mr. FRASER: How many citizenship certificates have been issued to date; how many for $1, and how many for $5?

Mr. GIBSON (Hamilton West): We had certificates issued under the previous act. On the first of January the number of naturalization certificates issued was 3,178; certificates in proof of citizenship, 2,816; certificates granted to aliens and sent to the courts, 4,085; certificates issued in the French language, 250; making a total of 10,329. Those are the cases that have actually been investigated and dealt with. When an application for citizenship is received the certificate does

not issue automatically; there has to be some investigation. It will be noted from the above figures that 2,816 certificates of proof of citizenship have actually been issued. The applications number 5,493, which leaves approximately 2,600 applications pending.

Mr. GRAYDON: Would these be natural-born Canadians?

Mr. GIBSON (Hamilton West): Yes. Certificates in proof are issued to those who are already Canadian citizens.

Mr. GRAYDON: Apparently nobody is bothering very much about it.

Mr. McMASTER: I have had complaints as to the length of time it takes, not only after the application has been put in, but to get the application form sent to the applicant. Could something not be done to shorten the time? It may be just a matter of routine.

Mr. GIBSON (Hamilton West): There was delay earlier in the year because we had to change the type of form. The amount charged for the certificate was reduced and various amendments were made to make the form more convenient to the applicant. This meant that the forms had to be changed, and there was some delay on that account. We now endeavour to keep all the clerks of the courts supplied with application forms so that they can supply them to any applicants in their own locality.

Mr. McIVOR: All too often we forget the officials who do the hard toil in our departments. I want to pay my tribute to the under-secretary for naturalization, both the present gentleman and his predecessor. Their efficiency is marked and their courtesy could not be beat even by a cabinet minister. I am happy to pay my tribute to them.

Mr. HAZEN: Under item 367 we are asked to vote $74,775 for the citizenship registration branch; and a few items below, in item 373, we are asked to vote $79,300 for the citizenship branch. What are the functions of the citizenship registration branch and what are the functions of the citizenship branch? Do these branches overlap? If so, is consideration being given to bringing them together?

Mr. GIBSON (Hamilton West): The citizenship registration branch is the old naturalization branch. We changed the name to correspond with the Citizenship Act. It carries on the same functions it performed before, that of issung certificates to citizens. The citizenship branch mentioned in item 373 is the department that looks after education and training for citizenship. It is working in conjunction with the provinces to bring the new arrivals of this country up to a common standard of education that will be satisfactory to the judges before whom they appear to become citizens.

Mr. McMASTER: Which is the branch that issues a certificate to a man or a woman who is already a Canadian citizen?

Mr. GIBSON (Hamilton West): The citizenship registration branch.

Mr. GRAYDON: In what position is the application for citizenship of Igor Gouzenko? I take it that his letters of denization which make him a British subject have been given. I understand that the next step is to make application to become a Canadian citizen. Because of the public interest in the matter, and because it was discussed in the house before, can the minister indicate whether or not application has actually been made?

Mr. GIBSON (Hamilton West): His application could not be considered until he had been a resident of this country for five years. Until that period has elapsed we cannot deal with any application.

Mr. GRAYDON: In other words, although letters of denization creating him a British subject have been made by statute, there is apparently no short-cut being made to make him a Canadian citizen.

Mr. GIBSON (Hamilton West): No. The regulations for citizenship are set out by statute, and we have no powers of shortening the periods that are provided by statute.

Mr. FRASER: I mentioned the $5 and the $1 certificates. Can the minister tell us whether any refund has been made to those who paid $5?

Mr. GIBSON (Hamilton West): I can get my hon. friend that information. The amount is being refunded to those who originally paid $5 when they apply.

Mr. FRASER: Do they have to apply for it?

Mr. GIBSON (Hamilton West): I am not even sure of that.

Mr. FRASER: It should not be necessary.

Mr. GIBSON (Hamilton West): It should not be necessary, no; I can check into that.

Mr. GRAYDON: I suggest to the minister that he should not follow the example of the Postmaster General who permits the money to lie there until somebody applies for it.

Mr. BLACKMORE: There is a good deal of uncertainty in some parts of the country regarding the necessity of having a citizenship certificate. Suppose a person were born in Canada or had been naturalized for a long time; would there be any difficulty in his obtaining the privilege of voting if he did not happen to have his citizenship paper? Does he have that right because of the standing he had before this citizenship paper business came into effect?

Mr. GIBSON (Hamilton West): There is no need for any Canadian citizen to have a certificate to prove his citizenship. He is entitled to secure such a certificate if he requires it. If he has been naturalized or was born in Canada, under the provisions of the Citizenship Act he is a Canadian citizen and requires no certificate, but he is entitled to have one if he wishes to secure it.

Item agreed to.

368. Companies branch, $56,958.

Mr. TIMMINS: I understand that the companies branch is the branch which really operates at a profit. Can the minister tell us what profit was made in that branch in 1946?

Mr. GIBSON (Hamilton West): In 1946-47 the profit of the companies branch was $313,037; the expenditure was $54,406.

Mr. HAZEN: How many companies were incorporated last year? What was the total amount of their capital stock? How many companies were issued supplementary letters patent?

Mr. GIBSON (Hamilton West): I have not that information with me, but I shall be glad to get it.

Mr. JACKMAN: Has the minister given any consideration to a revision of the Companies Act as took place in the United Kingdom recently?

Mr. GIBSON (Hamilton West): Consideration is being given to amendments to the Companies Act. Prior to the war, a committee was set up with representatives of the various provinces, and we have had discussions with some of the provinces lately, with the suggestion that that committee be reconvened and consideration given to amendments to the Companies Act which would bring the provincial and dominion acts more into conformity.

Mr. JACKMAN: Has the minister had many requests for revision of the Companies Act to bring it more up to date, or is it working entirely satisfactorily, or has he received any complaints?

[Mr. Graydon.]

Mr. GIBSON (Hamilton West): I have no complaints about it at all, but I think there has been a feeling that we should try to have the dominion and the provincial acts as much in uniformity as possible.

Mr. HAZEN: How many companies surrendered their charter last year?

Mr. GIBSON (Hamilton West): I shall get that information.

Mr. TIMMINS: I suppose there is a chief solicitor in charge of the companies branch. Is he the same person as the assistant under-secretary of state and advisory counsel. I do not see any solicitors except the junior departmental solicitor in this branch.

Mr. GIBSON (Hamilton West): The assistant under-secretary of state is the chief of the companies branch, and he is the chief solicitor.

Mr. TIMMINS: The assistant under-secretary of state and the advisory counsel.

Mr. GIBSON (Hamilton West): That is Mr. O'Meara.

Mr. TIMMINS: Is he the person in charge of the companies branch?

Mr. GIBSON (Hamilton West): Yes, that is the same one.

Item agreed to.

369. Trade marks branch, $42,463.

Mr. PEARKES: Does this branch exercise any control over the design of trade marks similar to the control which, I believe, is exercised by the college of heralds in England?

Mr. GIBSON (Hamilton West): It exercises control over the design that is registered, but I do not think it corresponds with the college of heralds in England. The college of heralds has a function quite different from any commercial function.

Mr. PEARKES: Does the college of heralds not have to pass on the design of all trade marks in Great Britain? Does the minister's branch exercise control over a trade mark which is submitted? Does it check on the various insignia which might be inscribed or included in the trade mark?

Mr. GIBSON (Hamilton West): I do not know the full duties of the college of heralds in England, but, of course, there is a tax on the use of heraldic designs in Great Britain which does not exist in this country. If anybody wants to use a trade mark or a design without registering it he is perfectly at liberty to do so, so long as he is not

infringing on one already registered. If persons wish to register a trade mark they register it with this branch.

Mr. PEARKES: The design of a trade mark has to be approved, and no insignia can be included in that design which was not approved by this branch if application was made to the branch to register the trade mark. Is that correct?

Mr. GIBSON (Hamilton West): The hon. member seemed to be going around in a circle and I am afraid I could not follow him. An applicant for a trade mark submits his application to this branch. They examine it. If it is not against public policy in any way or does not infringe on existing trade marks, they will issue him the right to use that trade mark and prevent others from interfering with him.

Mr. McMASTER: I should like to speak about the accommodation of the trade marks branch. My experience has been that they operate their offices in an efficient manner. They have a system of cross-checking and double cross-checking, and they seem to be going at it in a businesslike way. But in my attendances at their offices I have noticed that they have only about three offices and a public hall in a building on Queen street. I should think that close to their offices other office space should be available. With all their inconveniences they do an extremely good job. I really believe that the time has come to make more space available to them. I noticed that the public office is really a private office used by several stenographers and one of the department heads. It cannot be entirely satisfactory to those who go there to make searches or to the staff itself.

Mr. GIBSON (Hamilton West): I quite agree with my hon. friend that they have suffered the same disadvantages as to office space as others have suffered, and we hope to get them better accommodation.

Mr. MILLER: The item for temporary assistance under this department has increased between $3,000 and $4.000. Is that because higher wages were paid or because more people were hired?

Mr. GIBSON (Hamilton West): There is an increase in salaries which has been offset by other paylist items, including the bonuses that have been discontinued. The purpose of this vote 369 is to provide for salaries and various other expenses, including printing and stationery and travelling expenses for the staff.

Mr. MILLER: I am referring to the temporary assistance, the $18,141 item on page 218 of the estimates, under "trade marks".

Mr. GIBSON (Hamilton West): There has been, of course, a great deal of additional work in this department since the war ended, and that is why they had to take on temporary employees to cope with it.

Mr. MILLER: Was that temporary assistance secured from other branches of the civil service, or was it extra help that was taken on?

Mr. GIBSON (Hamilton West): It is extra help secured through the civil service commission. Whether these employees had previously been in other branches I would not know, because they were secured through the commission.

Mr. TIMMINS: Are the registrar of trade marks and the commissioner of patents one and the same person?

Mr. GIBSON (Hamilton West): No; they are different.

Mr. TIMMINS: Why is the trade marks branch kept separate from the copyright and industrial design divisions, which is item 376? As I understand it, these matters all come under the Unfair Competition Act. Is there a differentiation between trade marks, copyright and industrial designs?

Mr. GIBSON (Hamilton West): Yes. Industrial designs do not come under the Unfair Competition Act, and that is why they are separate.

Mr. TIMMINS: What about copyrights?

Mr. GIBSON (Hamilton West): Copyrights do.

Mr. MacINNIS: In this trade marks branch I note that the salaries are $21,600, and that the salaries for temporary assistance are $18,150 approximately, so that they are almost the same for the permanent staff and the temporary staff. Does "temporary assistance" refer to that portion of the civil service staff which has not yet been made permanent?

Mr. GIBSON (Hamilton West): Yes.

Mr. MacINNIS: It does not apply merely to persons taken on for shorter periods of time?

Mr. GIBSON (Hamilton West): No. It means that the permanent establishment has not been built up beyond the figures shown in this case, which is eleven. We have temporary employees in addition to that.

Mr. MacINNIS: It is the policy of the government that a certain portion of the staff of each department shall be temporary.

Mr. GIBSON (Hamilton West): Yes.

Mr. MacINNIS: I believe the idea was to keep it around ten per cent. Evidently it is much more than that in this instance. I take it that there are more temporaries in this branch than there are members of the permanent staff, because they would likely be the lower-paid staff. Since the total of both salaries is in each case almost the same, there would seem to be just as many temporaries as there are permanent, or more. I suggest that in the future the number of temporaries should be given as well as the number of permanents, so that we shall know exactly how many persons are employed in the branch.

Mr. TIMMINS: Do I take it that the trade marks branch is part and parcel of the accommodation provided for the patent office?

Mr. GIBSON (Hamilton West): No. It has a separate office of its own at the present time.

Mr. TIMMINS: It has its own office?

Mr. GIBSON (Hamilton West): Yes.

Mr. TIMMINS: Is further accommodation provided for the trade marks branch?

Mr. GIBSON (Hamilton West): We have not got it yet, but we are hoping for additional accommodation for them as well.

Mr. TIMMINS: Would it be conjoint with the patent office?

Mr. GIBSON (Hamilton West): I cannot say until we find out what the Department of Public Works can do for us. I am not sure how much space the patent office will require in the Canada building. If we had additional available space it would be convenient to have all our offices in close contact.

Mr. TIMMINS: Is the trade marks office separate from the patent office?

Mr. GIBSON (Hamilton West): Yes.

Mr. TIMMINS: So far as administration and records are concerned?

Mr. GIBSON (Hamilton West): Yes.

Item agreed to.

370. Bureau for translations, $503,505.

Mr. KNIGHT: There is an item here of over half a million dollars, there being an increase of over $11,000 as compared with last year. Would the minister give a little sketch of the work of this particular bureau and at the same time account for the increase? When I hear what he has to say I may have another question to direct to him.

[Mr. MacInnis.]

Mr. GIBSON (Hamilton West): The bureau for translations provides all the translators for the various departments of government. There is some increase from the previous year. Whereas it was $492,000 last year, this year it is $503,000, and most of that increase is due to salary increases.

Mr. KNIGHT: I take it that practically the whole item is devoted to salaries of translators. Is that a fact? What languages are handled besides English and French?

Mr. GIBSON (Hamilton West): I could not enumerate all the languages, but we have translators who can translate in most languages in current use.

Mr. KNIGHT: Has any work been done by this particular group of translators for the censorship branch of the customs end of the Department of National Revenue? Do other departments submit to this particular branch various works for translations from time to time?

Mr. GIBSON (Hamilton West): This division provides translators. In many cases they are attached to other government departments, but they are carried and financed through the bureau for translations, although they may be regularly attached to one of the departments of government.

Mr. KNIGHT: Would I be safe in saying that the censorship branch has no translators of its own but submits work to this particular department?

Mr. GIBSON (Hamilton West): I would not say it submits its work. I would have to get the details of the particular branch, but the chances are that a translator from this bureau is attached to the censorship branch.

Mr. BROOKS: I notice that this year there are no supervisors of technical translations, but there are ten for 1947-48 and there were twenty parliamentary translators for 1946-47 and twenty-two for 1947-48. Would the minister explain the difference between a technical translator and a parliamentary translator, and why it is necessary to add ten next year and none this year? There are head translators, principal translators and senior translators. What are the functions of all these different translators?

Mr. GIBSON (Hamilton West): Of course the functions of the translators are to translate.

Mr. BROOKS: Yes, I understand that. That is a rather smart remark. But what is the difference between a technical translator and a parliamentary translator? I know they are all to translate. But why not call them all translators?

Mr. GIBSON (Hamilton West): The parliamentary translators are those who are employed in the House of Commons, translating parliamentary papers at the House of Commons. This bureau provides all the translators required in the government service. The supervisors are those who have been put in a supervisory position to look after those who are in the junior positions.

Mr. BROOKS: What is a technical translator?

Mr. GIBSON (Hamilton West): He is one who translates technical documents, such as those which come from foreign countries to the patent office; for example those that come from Germany, or those in Spanish.

Mr. BROOKS: Why is it you need them for next year but did not need them for this year? Were there no technical documents to translate in the past?

Mr. KNOWLES: What is a senior translator?

The DEPUTY CHAIRMAN: Shall the item carry?

Mr. RINFRET: Would it be a fair statement to make that if we had bilingual administrative officers many of these ninety-six translators would not be necessary?

Mr. GIBSON (Hamilton West): No, I would not think that would be a fair inference at all, because a great many of these translators are doing just routine work—translating documents in a routine way—which a senior official would not be handling.

Mr. RINFRET: That is exactly what I mean. If they are doing routine work on correspondence and things like that, if there were bilingual officers to look after that routine correspondence which comes in in French, for instance, or in English, and those officers were able to handle both French and English it would not be necessary to have as many translators in that department, and the routine would be handled much faster.

Mr. GIBSON (Hamilton West): In some cases it would reduce the number by a small amount.

Mr. BROOKS: The minister has not answered my question. Might I suggest that it might have been a good idea if he had had his technical advisers in front of him. They might have been able to tell us what technical translators are for.

Mr. MacINNIS: May I ask the minister—

Mr. BROOKS: He has not answered my question yet.

Mr. MacINNIS: —what is the difference between supervisors of technical translation and head translators? I notice that there are ten supervisors of technical translation this year and there were not any last year. On the other hand, there were fourteen head translators last year and there are only three this year.

Mr. GIBSON (Hamilton West): I cannot tell. I can secure that information but I presume that is a—

Mr. MacINNIS: Reshuffle.

Mr. GIBSON (Hamilton West): —reclassification by the civil service commission. I can get that information for my hon. friend, but I cannot give it at the moment.

Item agreed to.

371. Canada Temperance Act, $4,500.

Mr. McKAY: What is the purpose of this item? Why is there a $2,000 increase this year? Is the act being applied now? If so, where?

Mr. GIBSON (Hamilton West): The Canada Temperance Act applies in a few places in Canada. The cost of administration is really the cost of having prosecutions in those centres where we are in charge of administering the act. I may say the fines which have been secured fairly well offset the cost of that branch to the department, but they go into the consolidated revenue fund.

Mr. HAZEN: Why are no details given of this item in the same way as they are given with regard to other items? It is not marked statutory. There is just a blank there.

Mr. BROOKS: The less said about it, the better.

Mr. GIBSON (Hamilton West): Because it is only a sum of money which is voted as a contingency in case it is needed for the coming year. It is to pay the fees of administering the act if any cases came up which require the engaging of counsel. We have not any permanent staff engaged in doing that work.

Mr. HAZEN: Of the amount which was voted last year for doing that work, how much was paid out?

Mr. GIBSON (Hamilton West): Expenditures for 1946-47, $6,250.

Item agreed to.

372. Bankruptcy Act administration, $32,960.

Mr. HAZEN: How many petitions in bankruptcy were filed last year, and how many the year before?

Mr. GIBSON (Hamilton West): I shall have to get that information for my hon. friend.

Item agreed to.

373. Citizenship branch, $79,300.

Mr. HAZEN: If I understood the minister correctly, he told us, under item 369, that the citizenship branch looked after education and training for citizenship.

Mr. GIBSON (Hamilton West): No.

Mr. HAZEN: Looked after education and training of people who had acquired citizenship.

Mr. GIBSON (Hamilton West): No. I should like to explain that.

Mr. HAZEN: I did not understand it.

Mr. GIBSON (Hamilton West): Education comes under the jurisdiction of the provinces.

Mr. HAZEN: I understand that. Is this education and training of people who apply to become citizens or of people who have received certificates of citizenship?

Mr. GIBSON (Hamilton West): No. This branch is working in conjunction with the provinces to provide that those people who come to this country and wish to become naturalized, or are eligible to become naturalized. They should receive some training in citizenship so that they will be able to pass the examinations they are faced with when they appear before the judge in court. For example, I have a letter which I received just a few days ago from a judge out west in which he says that of nineteen applicants there was only one who had even the foggiest idea of what citizenship in this country meant, and he points out the necessity of having some training in citizenship for newcomers to this country. A month or two ago I held a meeting with representatives of the departments of education of all the provinces, with the exception of Ontario and Quebec. We drew up a tentative plan whereby the provinces would undertake to do a certain amount of training, and we were investigating in what way we could assist by providing them with material which would enable them to have a standard course of education throughout the whole country.

Mr. HAZEN: In the details on page 219 of the estimates, I notice that there is a director of this branch who gets $5,400; a clerk, grade 4, who gets $2,004; then there is temporary assistance, $54,696. Can the minister give us a break-down of how it is proposed to spend that money?

Mr. GIBSON (Hamilton West): This is, of course, a new branch which was organized shortly before the first of this year when the Citizenship Act came into force, with the result that we took on a temporary staff. Only the two permanent employees were in the branch, and they were permanent because they had been permanent government employees prior to being moved over to the citizenship branch. The staff is now about twenty. They examine foreign language newspapers and keep in touch with the various organizations which can assist in citizenship training throughout the country. We have many calls from various foreign groups in the country to provide speakers to address them and give them talks on citizenship in Canada.

Mr. HAZEN: Last year we voted $34,000 for this purpose. Is that amount all paid in wages or salaries to temporary staff, or is some of it expended in other ways?

Mr. GIBSON (Hamilton West): That $34,000 was for the previous year. It is $54,000 this year.

Mr. HAZEN: I am asking whether it was all expended on wages or salaries, or was some of it for that purpose, and some of it for something else?

Mr. GIBSON (Hamilton West): It was all for wages and salaries.

Mr. HAZEN: Were all those wages and salaries, or practically all, paid here in Ottawa to people employed here, or were they paid in other provinces?

Mr. GIBSON (Hamilton West): It was all paid here.

Mr. JACKMAN: What is the basis of temporary assistance? I understand that in the Post Office Department—and certainly in my city it is this way—ten per cent of the staff is kept permanently on the temporary list. In other words of the total complement of personnel ten per cent is always temporary. Is there a rule of that kind which runs through all government departments, and in particular the Department of the Secretary of State? What is the nature of this temporary employment? How long have these people who are drawing temporary assistants' pay this year been with the department? Perhaps the minister can tell us the personal history of employment of those people, so that we might have some idea of the situation. Then, are any of the temporary help employed by the minister's department or, to his knowledge other departments of government, either permanently or temporarily employed by other departments of government?

Mr. GIBSON (Hamilton West): Prior to the war, it was the custom—and it has been carried on since—to have a certain percentage of each staff on the temporary list, so that if the work declined the staff could be reduced.

Mr. JACKMAN: How does that work out in the minister's department?

Mr. GIBSON (Hamilton West): During the war the number of temporaries increased tremendously. We had the veterans preference, of course, and practically no permanent appointments were made during the war. The result is that we have in all departments a large number of temporaries who could not be made permanent during the war and, if there are no veterans available, will be eligible for permanent appointment to take over the positions they are now occupying.

Mr. JACKMAN: That answers only part of my question. In other words, this matter of temporary assistants is an outgrowth of war conditions?

Mr. GIBSON (Hamilton West): I should say that it is, to some extent.

Mr. JACKMAN: I should like to know what it is to the full extent.

Mr. GIBSON (Hamilton West): In any department the permanent staff is set at a certain number. If additional employees are required, temporary employees can be secured. But the department is still limited to the original number of permanent employees, unless the permanent establishment of the department is increased. Until that permanent establishment has been set, the department cannot, of course, appoint permanent employees to fill positions.

Mr. JACKMAN: How long is it before the minister can obtain from his colleagues permission to put temporary staff on the permanent list? Does it run into two years, five years or ten years? I have come across cases in the Post Office Department where it runs into many years. What has been the experience in this department with respect to temporary assistants who this year will draw $54,000? How long have those individuals been with the department, and how long have they been temporary?

Mr. GIBSON (Hamilton West): This is a new branch, of course, which has just been set up.

Mr. JACKMAN: What about the minister's department?

Mr. GIBSON (Hamilton West): In the other departments, many of them have been in for five or six, or perhaps seven or eight years. That, of course, is due largely to war conditions. I believe it was customary before the war that a person would not remain temporary for more than five or six years, if he was giving good service. Then a vacancy would occur; someone would retire, and there would be an opportunity for a temporary employee to be absorbed into the permanent establishment. The civil service commission has been making a survey of various government departments to find out what the permanent establishments should be. It is all being revised at the present time.

Mr. JACKMAN: May I have an answer to my last question? Are some of the minister's temporary help also employed in other departments?

Mr. GIBSON (Hamilton West): I do not understand the question.

Mr. JACKMAN: Let us suppose a man has a post with the civil service in one department. Can he do temporary work in the minister's department or in some other department; or can a man who has not a full-time job with any department be on the temporary list of several departments of government?

Mr. GIBSON (Hamilton West): He can fill only one position at one time. He cannot have two positions at the same time.

Mr. JACKMAN: It is quite possible that a man may fill in, in one department for part of the year, and then may go to another department; does that not happen?

Mr. GIBSON (Hamilton West): That happens all the time, yes.

Mr. McKAY: How many of the new $5 Canadian citizenship certificates have been issued up to date?

An hon. MEMBER: It is one dollar.

Mr. GIBSON (Hamilton West): I gave that information a few minutes ago. There have been actually issued this year 2,816 certificates of proof of citizenship. However, there are many applications now under consideration which have not been dealt with.

Mr. MILLER: In the list of temporary assistants, are there any employees who did not work for the government until they were taken over by the Department of the Secretary of State? If so, how many? Have all these so-called temporary assistants already been employed in other departments of government and, within the last year or so, been absorbed by this department?

Mr. GIBSON (Hamilton West): I cannot give that information, but perhaps I can secure it. We secure employees through the civil service commission, but I have no record of what they were doing before that.

Mr. MILLER: If there are pools of unabsorbed temporary assistants in the different departments of government, I want to know whether or not the Department of the Secretary of State hires, through the civil service commission, individual temporary assistants, or whether they are absorbed from other departments?

Mr. GIBSON (Hamilton West): If my department has a vacancy we apply to the civil service commission and they make an appointment. We do not hire direct.

Mr. BOUCHER: How many employees in the minister's department who are now temporary have been there for more than five or six years? I understand that some departments have a habit of keeping employees a great many years on a temporary status. I do not believe the minister's department is one of the worst offenders in this respect. However I am wondering how many employees in his department who have served there for five or six years or more are still temporary.

Mr. GIBSON (Hamilton West): I have not that information now, but I can get it. Of course a great many temporaries who came in during the war are still temporary.

Mr. HAZEN: I understood the minister to say a few minutes ago, in connection with the citizenship branch, that he had had a conference with representatives from a number of the other provinces about the work to be done. He added that that conference did not include Ontario and Quebec. I should like to ask him why Ontario and Quebec were not included. This was not a matter of interprovincial arrangements about taxation or anything like that; it had to do with the education of our future citizens.

Mr. GIBSON (Hamilton West): I wrote to all the ministers of education in the provinces suggesting that this conference be held. Colonel Drew replied that he considered the facilities of Ontario were quite capable of providing whatever standard of education it was felt the immigrant should receive and that he did not consider it necessary to be represented at the conference. Premier Duplessis sent a telegram a few days before the conference stating that Quebec would not be represented. Apart from those two cases, all the other provinces were represented.

Mr. JOHNSTON: The minister gave us the number of citizenship applications which had been made and for which the $1 fee was paid, but I should like to know in how many cases the $5 fee was paid and whether this has been refunded?

Mr. GIBSON (Hamilton West): That would be included in the number of those who had applied for certificates in proof of citizenship.

Mr. JOHNSTON: The number the minister gave would include the $5 applications?

Mr. GIBSON (Hamilton West): No. The $5 applications are made by those being naturalized for the first time.

Mr. JOHNSTON: When the citizenship bill first came down it provided for a fee of $5. How many applied under that and paid the $5 which will have to be refunded?

Mr. GIBSON (Hamilton West): The original bill provided that the applicant should pay $5, either for naturalization, or a certificate in proof of citizenship. With the consent of parliament we reduced the fee for a certificate in proof of citizenship to $1. Certificates in proof of citizenship were issued to a few applicants before the fee was reduced, but I have not the number. They would be entitled to have a refund of the extra $4.

Mr. JOHNSTON: Has the $4 already been refunded?

Mr. GIBSON (Hamilton West): I cannot say whether it has been, but it is due and it will be refunded.

Mr. McMASTER: There must be more than two or three thousand people who have asked for citizenship certificates. If not, the minister's predecessor must feel terrible after all the trouble he went to in order to make us Canadian citizens. I cannot undertsand how you can spend $79,000 to educate these new citizens. I understand that there is the office of registration in the old supreme court building, and then in the east block is the office where you get your certificate of citizenship. I can understand that one of those offices might spend $74,000 and the other, $79,000, but I cannot understand how you are to spend $79,000 to educate or to try to educate or to start to educate would-be citizens in the seven provinces other than Ontario and Quebec. I am thinking of the small number of people who have come to this country in the past fifteen years from countries other than the British isles.

Mr. GIBSON (Hamilton West): There are a great number of people in this country who have come from other countries. During the

war very few people were naturalized and those of enemy nationality could not be naturalized. We are trying to raise the standard of education of those whom we receive as citizens. At one time a man could go before a judge, and if he could speak the English or the French language he was granted a certificate practically automatically. We sent out a letter to judges all across the country asking their opinions as to what should be the minimum standard of education or training for these applicants. We received some most interesting letters from judges all over the country. Those were summarized. The general opinion was that the person being naturalized should at least be able to read a daily paper printed either in English or in French, so that he would not have to rely upon a foreign language paper. We should like, if possible, to get these applicants up to a standard whereby they would know something about our ideas of democracy and our way of life.

Mr. McMASTER: Have any schools been opened for that purpose? Where is the money being spent?

Mr. GIBSON (Hamilton West): That is what we were discussing with the provinces. It is hoped to be able to build up classes in the various provinces to give instructions to these new Canadians.

Mr. LENNARD: The new Canadians who come here at the present time will have to go on the land and they will be scattered all over the country. How could you have a class in one central area for those people? They will not attend such a class or, if they do, it will be at considerable expense to someone because they will not have the funds themselves. I think it is a waste of money.

Mr. McLURE: I should like to bring up the matter I brought up before. Here is a vote of $54,000 for temporary assistance in this branch. The total estimates are $1,228,000, of which $429,000 is for temporary assistance. Yet we never get an itemized account.

Mr. JOHNSTON: I wish to refer again to the education given to these new citizens. The minister said that he had received quite a few letters from judges throughout the country complaining about the standard of education, and he went on to indicate that in his opinion they should be able to read newspapers. I am sure there are some of us here who cannot read newspapers and get any sense out of them.

Mr. MITCHELL: You might say the same thing about *Hansard*.

Mr. JOHNSTON: I did not want to appear personal, so I did not make that reference. I know personally where people have come before a judge and he has said to them, "You cannot read English; you will have to postpone your application." Where are those people to go? The minister has indicated that there have been some conversations with the provinces, but have any schools been opened for these people to attend? I do not suppose it is expected that they will attend the public schools. Are you expecting that a person of forty or fifty years of age will go through the school and take a course in English literature or something of that kind? It seems to me that the minister is going into something which will entail a considerable amount of money if any results are to be obtained. I am not belittling the idea that these people should be educated in the English language before they are allowed citizenship, but I am just wondering how the money will be spent.

Mr. GIBSON (Hamilton West): Classes have been conducted in some cities for many years.

Mr. JOHNSTON: What is the procedure in connection with those classes?

Mr. GIBSON (Hamilton West): They are being held in normal schools. For instance, in Toronto they had a successful class which used to meet in one of the normal schools. Various instructors would come there to instruct.

Mr. JOHNSTON: Would attendance be compulsory, and would they pay for tuition?

Mr. GIBSON (Hamilton West): Not at all. Those who wished to attend were permitted to attend. That was provided by the departments of education in the various provinces, and it is hoped that these classes will be extended. It may be necessary to have teachers travel to various centres and hold classes once a week or so many times a month, or whatever the provinces can arrange. We do want them to get some instruction.

Mr. JOHNSTON: Will the schools set up by the provinces be assisted by a dominion grant?

Mr. GIBSON (Hamilton West): They would not likely get a government grant, although I should not be too sure about that because nothing has been arranged with the provinces on that point. The matter is under consideration. We will assist them as far as we can in providing textbooks.

Mr. TIMMINS: The director of the branch is getting an increase of over $2,000. Is a change being made there?

Mr. McMASTER: What was actually spent last year?

Mr. GIBSON (Hamilton West): We actually spent in 1946-47, $58,006.

Mr. TIMMINS: Is a new director being appointed?

Mr. GIBSON (Hamilton West): The director was a permanent civil servant, in the Department of Agriculture. During the war he was given other duties and was drawing the war duties supplement in addition to his permanent salary from the Department of Agriculture. Now that he is with this branch his salary as a permanent civil servant is $5,400.

Mr. TIMMINS: What are his qualifications for the position? It seems to be a senior position.

Mr. GIBSON (Hamilton West): He is a man who has had overseas service. He has had wide experience in public service. I think he is president of the agricultural federation of Canada. He has given very good service in organizing this citizenship branch, and that is the chief function of his division.

Mr. JACKMAN: I asked the minister before whether there were any employees of other departments who were on his temporary staff. The minister now mentions that during the war years this particular gentleman was seconded from the Department of Agriculture, whether on part time or full time—

Mr. GIBSON (Hamilton West): On full time.

Mr. JACKMAN: —and that he drew the war duties supplement and now is being raised to a more adequate salary; is that the story?

Mr. GIBSON (Hamilton West): No. He was drawing his salary as a permanent employee of the Department of Agriculture. Then he was transferred or lent to another department, and for those new duties he received the war duties supplement.

Mr. JACKMAN: That was the question I asked, whether there were any employees from one department of government who became temporary assistants in another department and therefore drew remuneration from two departments? The war may have led to unusual and necessary situations of that kind. What I am asking is, are there any employees in the year 1947 in one department of government who are lent or seconded or otherwise giving their services to another department and being paid therefor by two departments?

[Mr. Timmins.]

Mr. GIBSON (Hamilton West): No employee is being paid by two departments. This employee was permanently employed by the Department of Agriculture at the salary rate set for his duties. When he was doing temporary work in another department he was paid his regular rate of salary, plus the war duties supplement to which he was entitled. He has now been transferred to the Department of Secretary of State and draws his salary from this department at this rate.

Mr. JACKMAN: I do not know anything about the gentleman, how able he is or otherwise. I do not know whether he is young or elderly, but his total remuneration in 1946-47, even with the war duties supplement, was $3,240.

Mr. GIBSON (Hamilton West): No; that was his permanent salary. His war duties supplement was in addition to that.

Mr. JACKMAN: How much would his war duties supplement be, approximately?

Mr. GIBSON (Hamilton West): To bring it up to $5,400, and when he was given a permanent appointment in the citizenship branch he was given what he was drawing before.

Mr. JACKMAN: He must have been getting a very large war duties supplement.

Mr. GIBSON (Hamilton West): He was doing important work.

Mr. LENNARD: The minister said that the citizenship branch proposes to publish certain text books which will be suitable for new Canadians. There is an item here of $8,000 for printing, but I do not suppose that would cover these textbooks. How is it proposed to cover the cost of the textbooks? Have any textbooks been printed so far?

Mr. GIBSON (Hamilton West): All we have done so far is to have some pamphlets printed. As I said before, education is within the jurisdiction of the provinces, and all this has to be worked out in conjunction with the provinces.

Mr. BELZILE: Have the clerks of the superior courts of the province of Quebec been provided with forms in the French language for applicants for citizenship certificates?

Mr. GIBSON (Hamilton West): If they have not got them I will see that they get them. We have had application forms printed in the French language for that purpose.

Mr. RINFRET: They have been waiting for them for six months.

Mr. CASTLEDEN: Has the minister a break-down by provinces and by district courts of the number of applications for certificates that have been refused?

Mr. GIBSON (Hamilton West): Applications for naturalization?

Mr. CASTLEDEN: Yes.

Mr. GIBSON (Hamilton West): I have not got that, but possibly it can be secured.

Mr. CASTLEDEN: I should like to get that from the department.

Mr. GIBSON (Hamilton West): I will try to get it.

Mr. CASTLEDEN: A good many people came to this country as adults and now they wish to make application for citizenship. They appear in the district court before the district court judge and very often they feel intimidated by the very atmosphere of the court. Sometimes they report to me that they went into the courtroom, which they usually associate with crime, and they were so completely upset by their surroundings and the number of questions fired at them that they became confused and did not really understand the questions which were being asked. Could there not be some uniformity of examination by the judges? Otherwise there are bound to be differences of opinion among the judges as to the applicant's knowledge of his responsibilities as a citizen. Is any textbook prepared similar to the one which is used in the United States? They have a similar department over there. Last year I understood from the then secretary of state that it was the intention of the department to publish a number of these booklets and make them available to persons who are making application. The waiting period in Canada is quite long. When they make application such a textbook should be placed in their hands. Such a textbook would go a long way toward showing them what their responsibilities and rights are in a democratic state. Has such a textbook been prepared?

Mr. GIBSON (Hamilton West): With reference to the first question, I mentioned a few minutes ago that we had circularized all the judges in Canada to find out if we could adopt a common standard throughout the country. I quite realize, as the hon. member has said, that standards vary in various localities according to the personality of the judge, and the judge himself has, of course, the final decision. We received replies from the judges across the country as to what they thought should be a common standard. Those were summarized, and we have sent copies out to the judges so that they will have it, not as instructions from our department, but as a summary of the advice received from the judges themselves. In that way we hope to have more or less a common standard adopted throughout the country.

The first publication that we are getting out I hope to have ready early in July, which will be available to be given to newcomers to this country when they arrive. We got one out in Polish which we gave to the Polish soldiers when they came. It is not as elaborate as the one which is used in the United States at the present time. We hope to make progress and to have better publications as time goes on.

Mr. GAUTHIER (Portneuf): I know there are French citizenship certificates and English ones, but I should like to know from the minister whether his department has considered issuing bilingual certificates.

Mr. GIBSON (Hamilton West): Yes, that has been given careful consideration, but there is so much on the certificate, both on the front and on the back of it, that it was felt it would be confusing to an applicant coming to this country, who perhaps knows only one language, either French or English, to receive the certificate partly in a language which he does not understand. Consequently it was felt that it would be better to give him a certificate in either the French or the English language, whichever was the language that he had acquired while in this country.

Mr. GAUTHIER (Portneuf): What if he does not know either the English or the French language?

Mr. GIBSON (Hamilton West): Then he is not qualified for citizenship.

Mr. RINFRET: For purposes of travelling, would it not be preferable to have both the French and the English language on the same certificate as is done with passports, because an English person having an English certificate and going to France would find that they could not read the English language, and conversely a French-speaking Canadian with a French certificate going to England would be embarrassed by the fact that the certificate is not in English.

Mr. GIBSON (Hamilton West): Of course a citizenship certificate is not a passport; it is not intended for the purpose of being used as a passport.

Mr. RINFRET: For identification purposes.

Mr. GIBSON (Hamilton West): Yes.

Mr. GRAYDON: Some time ago I asked the minister whether he would consider having

the citizenship certificate printed in a form similar to that which is used for birth certificates in Ontario. He said that he would consider the matter. Has he given any further consideration with respect to this?

Mr. GIBSON (Hamilton West): I took the matter up, but I received a reply on the costs from the company which manufactures these only about two or three days ago. I have not had time yet to give much consideration as to whether it would be desirable at this time to do that or not.

Mr. GRAYDON: As I pointed out before, a big certificate would be fine perhaps for someone who values this kind of thing to keep in his home or in some other place; but when he wants to use it for the purpose of identification or for some other purpose, I believe that custom and usage have brought these things down to rather small dimensions. I think a size of the birth certificate which I hold in my hand would be more helpful, because when an individual wishes to go across the border or to use it for some other purpose he will find that a certificate of this size would fit into a billfold quite easily. The people of Ontario have found these eminently satisfactory.

Mr. REID: Is that a photostatic copy of the original?

Mr. GRAYDON: This is a birth certificate of one of my own children. I brought it to the minister's attention some time ago to indicate the type of certificate it is.

Mr. GIBSON (Hamilton West): There is one disadvantage about having that type of certificate. It is so easily carried that it can be easily lost. There would be the danger of a certificate being carried by people being lost, which might be of value to people into whose hands we would not want it to fall. Consequently it might be better to have certificates in a larger form which could not so easily be carried or so easily lost.

Item agreed to.

Patent and copyright office—
374. Administration division, $35,424.

Mr. BOUCHER: Some time ago during this session the minister told the house that each year the patent office had a substantial surplus which was transferred to the consolidated revenue fund. He also told us that the quarters of the patent office are inadequate, and that a revision of the whole administration of the patent office and of its quarters was contemplated in order to take care of the increasing use of the office and to modernize it in keeping with patent facilities of other nations. Can the minister at this time give the committee an explanation as to what progress is being made in that regard, because I can assure him that any person who has had occasion to solicit the issuance of patents or to visit the patent office will be entirely in agreement with the minister in bringing about a change in the administration, in the quarters and in the procedure which is under contemplation? It would be appreciated if he would enlarge upon this matter and tell us what progress is being made in that regard.

Mr. GIBSON (Hamilton West): This really shows the disadvantage of going from item to item. The administration of the Secretary of State's office was discussed at the opening of the session tonight, and I said that we expected to move into the building which has been vacated by the Department of National Defence. I am hoping to have my patent division in there within the next week or two.

Mr. ROSS (St. Paul's): In connection with patents which were issued before the war and in connection with certain patents that had to be held up because of the war and because of the lack of material during the war which prevented the manufacture and development of these patents, what procedure has a person to go through in order to have an extension of that patent? It seems to me unfair that certain people should have been held up and have not had time within the life of the patent to develop it. Is there not some way whereby that can be corrected, so that they can go to a court of law or to some such place in order to have the matter adjudicated and bring witnesses and so on? Is something being done about that?

Mr. GIBSON (Hamilton West): All that can be done by an act of parliament. One holder of a patent this year made application for an extension of his patent and parliament did not see fit to grant it. I do not think parliament as a whole has looked favourably on extensions of patents.

Mr. ROSS (St. Paul's): What about the fairness of it? I was wondering whether the minister contemplated some provision whereby patents could be reviewed by courts instead of having to come to parliament where the proper witnesses cannot be brought to testify?

Mr. GIBSON (Hamilton West): That is not under contemplation.

Item agreed to.

OFFICE OF THE CHIEF ELECTORAL OFFICER

39. Salaries and expenses of office, $30,377.

Mr. LENNARD: Why the decrease?

Mr. KNOWLES: Only one by-election.

Item agreed to.

CIVIL SERVICE COMMISSION

Demobilization and reconversion—

495. Supply of personnel for demobilization and reconversion services, $599,936.

Mr. LENNARD: What is this amount for?

Mr. GIBSON (Hamilton West): This originally came in under the heading of "war expenditures", and it has been continued as a separate item from what is usual in the expenditures in the civil service commission. It is part of the wind-up of war expenditures.

Item agreed to.

PUBLIC ARCHIVES

272. General administration and technical services, $152,297.

Mr. LENNARD: There is an increase of $19,350. What is the reason for it?

Mr. GIBSON (Hamilton West): During the war the archives staff was cut down materially. We have some representatives in France looking up material, and that office had been closed. The staff is now being brought up to usual strength again.

Mr. JACKMAN: What is being done in regard to the archives? I have been told on numerous occasions that we should consider more seriously the position of the archives branch of our government and that we might do more than we are doing, even at greater expense. The reason there may be a certain timeliness in that suggestion is that many historical documents and other treasures which would ordinarily find a safe resting place in the national archives are being sold to other bodies and even outside the country. Would the minister say a word or two in that regard and indicate whether any development is planned in the near future?

Mr. GIBSON (Hamilton West): There was a recommendation before the war that the building itself should be enlarged, but that has not been possible up to the present time. The staff of the archives are doing what they can to keep up to date with the material. They are making copies of all material dealing with the early history of the country. I do not believe that we have enough money to buy as much of the material that is now available as we should. It is a matter in which I intend to take some interest. This year we are really just carrying along on the routine we have followed in previous years, and it is possible that we should do more than we are doing at the present time.

Mr. BOUCHER: Last year, for temporary assistance, there was $14,000 odd and this year there is an estimate of $36,000 odd. Can the minister explain the great increase?

Mr. GIBSON (Hamilton West): Staffs were cut down tremendously during the war, and the work of the archives both overseas and in this country was greatly curtailed. We are now trying to catch up.

Mr. BOUCHER: Is there any reason why, if the staff is being increased, it should be increased on a temporary rather than on a permanent basis?

Mr. GIBSON (Hamilton West): Until the positions are established as permanent and until we know that there are no veterans available—some of these temporaries were not overseas—it is not considered advisable to make them permanent.

Mr. JACKMAN: When did the minister last have a report on the general policy of the archives branch? I do not mean from the director general, but a report on what the archives should consist of. I recall that there was one some years ago, although I am not sure if there has not been another in recent years. Would the minister consider, at little or no expense, having some of our historians, aided by the director general, draft a report? We should be out of pocket only actual cost of travelling and the sittings, so that we would have a definite policy for our archives and get together our national treasures, which may be lost if we do not act with promptness.

Mr. GIBSON (Hamilton West): The department does get out a report. It prints a number of interesting papers which it has uncovered during the last year. I agree that the policy of the archives might well receive further consideration.

Mr. JACKMAN: Was there a commission in recent years, or was there one five or ten years ago?

Mr. GIBSON (Hamilton West): I do not know.

Item agreed to.

PUBLIC PRINTING AND STATIONERY

273. Departmental administration, $39,658.

Mr. NICHOLSON: I understand that there is an order in council which requires all accounts sent to members of parliament to be paid immediately before further supplies are

issued to them. I would imagine that the accounts of members of parliament would be a fairly safe risk. Most members undoubtedly pay their bills at the end of the year. What is the reason for this order in council? Members should be encouraged to send out *Hansard* to their constituents and so make use of the printing service.

Mr. GIBSON (Hamilton West): Should they be so encouraged?

Mr. NICHOLSON: Will the minister indicate whether it is bad accounts that are responsible for the passing of the order in council?

Mr. GIBSON (Hamilton West): This is not a recent order in council, but an old one that has never been repealed. The king's printer told me that the matter had come up for discussion not long ago and that it might be brought up on my estimates. The order in council provides that no further orders for printed material shall be accepted from a member of parliament while he had an account outstanding. I do not know how strictly that order has been enforced, but it is an old one. It is not of recent origin.

Mr. GRAYDON: Surely there are no members behind in their accounts.

Mr. MITCHELL: They are no different from other men.

Mr. LENNARD: It is a very good rule. Someone this session checked up on me because I had not paid my bill last year and I did pay it. It is a very good rule that should be strictly adhered to.

Mr. KNOWLES: It seems to me that bills should be paid within a reasonable time, fortnightly or monthly, but to press the matter to the point of requiring payment on Monday for some *Hansards* that one may have ordered on Thursday, is going too far.

Mr. GIBSON (Hamilton West): The king's printer can be relied upon to use his discretion.

Mr. LENNARD: That is ridiculous. If a bill is left over and not paid before the next session, then they do check on you, but they do not check if you have not paid for something owing last week.

Mr. McLURE: What is the revenue from the department?

Mr. GIBSON (Hamilton West): I will get that in just a moment.

[Mr. Nicholson.]

The DEPUTY CHAIRMAN: Shall the item carry in the meantime?

Mr. FRASER: No. I should like to make a suggestion to the minister. At the present time we have a standing committee of the house on printing.

Mr. GRAYDON: Are you sure?

Mr. FRASER: It is really a farce because it meets only once a year and then only for about three minutes. That committee should meet and have something to do with this printing bureau. That is part of their business, or at least it should be. In any event, I make that suggestion and ask the minister to think it over.

Mr. GIBSON (Hamilton West): I agree with my hon. friend. As a matter of fact, I spoke to the chairman of the printing committee suggesting that they give some attention to that branch of the work.

Mr. FRASER: Good enough.

Mr. KNOWLES: I did not realize that this item would be coming up. Therefore I have not in front of me a sessional paper which I wish I had here. It has to do with the amount of overtime which employees at the printing bureau had to put in during last year, 1946. The figures which were given in the return to which I refer, and which was tabled by the minister in this house not long ago, indicated a pretty high percentage of overtime last year. It is true that the greatest number of hours of overtime were put in during the months in which parliament was in session, and particularly during the months when we were meeting eight hours a day. But it is also true that there was more overtime than one would expect even in the months when parliament was not in session. The answer to that, it seems to me, would be—

An hon. MEMBER: Shorter speeches.

Mr. KNOWLES: —an increase in the number of employees at the printing bureau. Has that matter been considered? Can the minister state whether there has been any improvement in the situation?

Mr. GIBSON (Hamilton West): The work has been particularly heavy, especially when the session is on. It is not easy to get printers. The matter is certainly being carefully watched by the king's printer, because we do not want to overload our employees if we can possibly avoid doing so.

Mr. KNOWLES: I suggest that an effort should be made to get a sufficient staff, so that during the months when parliament is

not in session there would be no overtime. One can understand the need for overtime when parliament is in session, but it seems to me that it should be the aim to have a sufficient number of employees to make overtime unnecessary when parliament is not sitting.

Mr. MITCHELL: I should like to make a suggestion with regard to these hundreds and thousands of speeches which hon. members have printed below cost, which nobody ever reads and which are just propaganda at the public expense. If hon. members would curtail them just a little, there would not be any need for overtime.

Mr. KNOWLES: For the benefit of my genial friend, the Minister of Labour, I might say that sometimes when he makes a speech, some of us find that is a particularly good *Hansard* to send out. People enjoy reading it.

Mr. MITCHELL: You are speaking about the Minister of Labour. Speak about yourself.

Mr. HARKNESS: You mean they are all humorous?

Mr. KNOWLES: Now that *Hansard* has been referred to, I should like to ask the present Secretary of State the same question I asked his predecessor last year. Is the government giving any consideration to ways and means of increasing the circulation of *Hansard* itself? I am not referring only to the reprints to which the Minister of Labour has made reference, but to *Hansard* itself.

Mr. GIBSON (Comox-Alberni): The hon. member will take care of that.

Mr. KNOWLES: As the minister and other members who are interrupting know, there are responsible bodies of people in this country who consider that it would be a good idea for more Canadians to know what is going on in parliament. There was an organization known as "The Friends of *Hansard*".

Mr. BOUCHER: Don't talk about the enemies of *Hansard*.

Mr. KNOWLES: I believe the figure given last year was that the total printing of *Hansard* runs about 9,000 a day. To me that seems to be a low figure for a population of 12,000,000, if proceedings in this House of Commons are as important to the nation as we here in this room will agree that they are.

Mr. GIBSON (Hamilton West): I cannot say that the king's printer's department has been taking any steps to increase the circulation of *Hansard,* although we make it available when people require it.

Mr. KNOWLES: One way to increase the circulation would be to reduce the subscription rate of $3 a session to something less.

An hon. MEMBER: You would lose money if you did that.

Mr. BOUCHER: Under this department I do not see anything which would indicate what is paid for printing and binding outside the printing bureau. I understand that for the past number of years the work has been so heavy in the government printing bureau that a great many parcels of work or contracts have been let out to printing firms outside the printing bureau itself. Can the minister tell us what was paid to printing and binding firms outside of the printing bureau, and where we shall find those amounts in the estimates?

Mr. GIBSON (Hamilton West): Of course that amount is the total amount which will be required for the year. We cannot say how much will be printed in the bureau and how much will be printed outside the bureau. It will at best be only an estimate.

Mr. BOUCHER: Here we are voting some $250,000, presumably to the printing bureau for printing and binding, and apparently there is no information available as to what portion is being done by the dominion printing bureau and what portion is being done by contract elsewhere. I believe it is important to parliament that we should have that information.

Mr. GIBSON (Hamilton West): I will get that from the king's printer, and I can let my hon. friend know.

Mr. McCULLOUGH (Assiniboia): There is a matter I should like to bring to the minister's attention. Both last year and this year the quality of the envelopes which we have been using has been such that one could read right through them. In addition to that, the glue was of such poor quality that they apparently could not be sealed. I think that matter should have the department's attention.

Mr. FRASER: Can the minister tell us what the revenue of the printing bureau was last year? I do not think he gave that.

Mr. GIBSON (Hamilton West): I am getting that. I have not it yet.

Mr. SMITH (Calgary West): Why does the minister not get some of the men with the big books to help him?

Mr. GIBSON (Hamilton West): They are coming.

Mr. ARSENAULT: We understand that the total daily circulation of *Hansard* is about

9,000. How much of that is paid circulation? How many paid subscribers are there?

Mr. GIBSON (Hamilton West): The question asked about the revenue or profit of the printing bureau is a difficult one, in that the printing bureau operates on a revolving fund. When publications are sold to government departments they are sold at cost. There is revenue from such publications as the *Canada Gazette* and the statutes or any other government publications sold to the public. But the operations of the printing bureau as a whole are not set up on a basis of profit, expenses and revenue.

Mr. FRASER: I understand that this year the printing bureau did work for outsiders; is that correct?

Mr. GIBSON (Hamilton West): No.

Mr. FRASER: Have they done any work outside government work?

Mr. GIBSON (Hamilton West): No, not any outside work. We have to put out a great deal of the work.

Mr. ARSENAULT: Would the minister have any objection to answering my question? Out of the circulation of *Hansard* which, I believe, amounts to 9,000, how many are paid subscribers?

Mr. GIBSON (Hamilton West): I understand that it is about half.

Mr. ROSS (Souris): What was the question?

Mr. ARSENAULT: I have my answer.

Mr. ROSS (Souris): Let us hear it.

Mr. BOUCHER: What work is let by contract outside the printing bureau, and what are the expenses? Upon whose authority or responsibility is the decision made as to what work is to be done by the printing bureau and what is not. I am told, as was the hon. member for Peterborough West, that some printing, which could not be described strictly as government printing, has been done by the printing bureau. I was wondering under whose jurisdiction this additional work is being done by the printing bureau?

Mr. GIBSON (Hamilton West): During the war the printing bureau let out about $5 million of printing a year. I understand that it now runs to about $3,500,000. The printing bureau does work to a value of about $2,500,000 to $3,000,000.

Mr. BOUCHER: Is there no possibility of getting a break-down showing where that money is being spent? It seems to me that the cost of the printing bureau as set out in the estimates is a comparatively small portion of the total cost of printing for government services. I am wondering where the information would appear in the estimates, so that parliament would have some check in the matter.

Mr. GIBSON (Hamilton West): The public accounts show where contracts have been let. The information can be obtained there.

Mr. McMASTER: There is only a lump sum shown for the year ended March 31, 1946. It shows $3,500,000 paid outside, but there is no break-down.

Mr. GIBSON (Hamilton West): I understand that every contract over $200 is included.

Mr. BOUCHER: I am not satisfied with the minister's statement as to the cost of printing last year. Here we have an estimate for the ensuing year showing a total of $250,000 for the printing bureau. The minister tells us that printing to a value of $3,500,000 has been let out, and will probably be let out this year, to private concerns. It is not sufficient that that information be given in the public accounts. We should have that information in the estimates as well, and at this time we should have a more detailed statement from the minister as to what is being done along these lines.

Mr. GIBSON (Hamilton West): Does the hon. member want a list of the firms which have received contracts? That information can be secured.

Mr. BOUCHER: Yes. I should like information not only with respect to what was spent a few years ago, but with respect to what the government contemplates spending this year. There is a total estimate of $250,000, and yet our total printing and binding expense for the year is something like $6 million. I think it is high time we overhauled the whole system of the printing bureau and have placed before parliament something over which parliament would have some control.

Mr. McMASTER: I apologize to the minister. Every contract over $5,000 is shown in the public accounts.

Mr. GIBSON (Hamilton West): Thank you.

Mr. BOUCHER: Can the minister give any further information, because what appears in the public accounts concerns what has been spent? Here we have a government which, according to the minister, would appear

to be spending about $6 million a year. Yet the estimate for the ensuing year is for $250,000. I believe the government should forecast its contemplated expenditures in the estimates, as well as showing them in the public accounts after they have been spent. Parliament is entitled to know what the contemplated expenditures are to be, whether they be with the public printing bureau or with private concerns. If there is a vote of only $250,000 for the government printing bureau, and the government contemplates making contracts with private concerns to the extent of $3,500,000 we should have a big change in our printing bureau, and have the government take over a greater percentage of the printing.

Mr. GIBSON (Hamilton West): The estimate here is for the administration of the printing bureau. But the work done by the printing bureau is charged up to the departments for which the work is done. It is not included in the estimates of the printing bureau, but in those of the various departments concerned. We do include the printing of the *Canada Gazette* and the Statutes. Otherwise printing costs are charged to the departments concerned.

Mr. HARKNESS: The minister will no doubt know that when a committee of the house meets it promptly passes an order to print 500 copies in English and 250 copies in French of the reports of the committee. I understand that the French editions of the proceedings are printed by various printing companies scattered throughout the province of Quebec, and this seems to be a reasonable way of doing it. I understand that in most cases the French edition is not received until long after the committee has ceased its sittings and, in most cases, after all interest in the matter has ceased. In the case of the joint committee of the Senate and the House of Commons set up to consider the Indian Act, I understand that the proceedings in French for the sessions during 1946 had not been printed up to two months ago. There is a large demand for these copies. I understand that the same thing applies to the reports of other committees, some of them being two years in arrears. When the French copies are finally brought out, all interest in the matter has ceased and most of the copies probably find their way into waste-paper baskets. In other words, it is a total loss of public money. If possible, I should like the minister to give us the dates upon which the French copies of the reports of the various committees which met during 1946 were finally delivered. Some other arrangement should be made in order that the French copies are received at the same time as the English copies are received, at least within a week or two after the particular session has been held.

Mr. GIBSON (Hamilton West): The printing bureau print them as rapidly as they can get the translated copy from the translating bureau. I realize that there have been delays in printing in the last year or so, mainly due to the difficulty in obtaining qualified men. The king's printer is taking every step possible to speed up the publication and production of reports and other documents sent to him for printing.

Mr. HARKNESS: I do not think that is good enough. Will the minister answer this question: Have the French copies of the reports of the joint committee of the Senate and the House of Commons which was set up to consider the Indian Act and which sat during 1946 been printed? The way I stumbled on that situation was in trying to meet the requests of certain people for French copies of the reports. It was then that I discovered that they were two years in arrears.

Mr. GIBSON (Hamilton West): I understand that copies in French of the report have been received quite recently.

Mr. HARKNESS: What does "quite recently" mean? Does the minister mean two months ago? I know that it was not so then.

Mr. GIBSON (Hamilton West): I cannot give the exact date, but at least within the last few days.

Mr. HARKNESS: Can we have the dates upon which copies in French of the reports of the various committees which met in 1946 were received?

Mr. GIBSON (Hamilton West): I shall endeavour to get my hon. friend that information.

Mr. ROSS (St. Paul's): Is the work that is let out let out by tender and, if so, under whose authority?

Mr. GIBSON (Hamilton West): All orders for $500 or over are let by tender under the authority of the king's printer.

Mr. ROSS (St. Paul's): On the advice of whom? Is there a committee of the government?

Mr. GIBSON (Hamilton West): If the king's printer is not able to undertake the work in the printing bureau, then he has to let it out to printing firms which will do the work.

Mr. SMITH (Calgary West): If some of these reports are two months or a year or two years behind, is there any object in printing them at all? Surely it is just a waste of money. If a report has been made to the house and has been dealt with, is there any object in going any farther with it?

Mr. GIBSON (Hamilton West): Personally I would not think so. However, if a committee has decided that its reports should be printed the printing bureau cannot come to the decision that the reports shall not be printed.

Mr. RINFRET: I am sure it would be much preferable to change the procedure than not to print them.

Mr. SMITH (Calgary West): I am in most hearty agreement with that.

Mr. HARKNESS: That was the point of what I was saying. I think we have to have a change in the procedure, so that these things may be put out within two weeks after the committee has held its meeting. If there are any reports which are outstanding for a year or a year and a half, the minister should cancel them.

The CHAIRMAN: Shall the item carry?

Mr. HARKNESS: I think I should have an answer from the minister as to how many of these reports are still outstanding.

Mr. GIBSON (Hamilton West): I cannot get that information right now, but I shall see that my hon. friend gets it.

Mr. HARKNESS: The item should stand.

Some hon. MEMBERS: Carried.

Mr. HARKNESS: No; stand.

Mr. BOUCHER: I think that is an important point, and the minister should give us more details as to the possibilities of the printing bureau being brought up to date so that this printing can be done in a more expeditious manner. The government is letting out a very large proportion of this work by tender when we have a printing bureau in Ottawa which should be capable of doing most of it. If the printing bureau has not the necessary facilities or the required staff, then I think the time has come when the government should see that those needs are met in order that satisfactory service may be rendered.

Mr. GIBSON (Hamilton West): The hon. member lives in Ottawa, and he will probably realize that it was recommended before the war that the printing bureau should be enlarged and more modern equipment should be provided. That expenditure was held up and it is still being held up to some extent. I think it is a little unfair to the king's printer to blame him for delays which have occurred because he is working under terrific pressure with the equipment he has.

Mr. KNOWLES: Earlier tonight I stated that I felt there was too much overtime and that more employees should be supplied to the printing bureau in order to facilitate this work. I stand by that statement, but as one who has worked at the printing trade I should like to say something following the remarks of the hon. member for Carleton. I confess that I am amazed all through the sessions of parliament that the printing bureau, with the number of employees it has, is able to produce as rapidly as it does *Hansard* and the other material that comes to us. I think they have a tribute coming to them for the extent of their accuracy. They are human and they make mistakes as all of us do, but I think the typesetting and proof reading are excellent. Incidentally, most of the printers there belong to the international typographical union, which is the reason for that good work. Apart from that, I feel that, with all that is being said, some compliments should be paid to the staff at the printing bureau.

Mr. BOUCHER: I do not think anyone has cast any reflection upon the efficiency of the printing bureau employees. I do not believe the hon. member for Winnipeg North Centre has caught my point. The point is that the government has not provided facilities with which to do the work necessary to meet present-day requirements. I think hon. members are most appreciative of the promptness and efficiency of the printing bureau as far as what work we receive is concerned. But we cannot express that satisfaction about work which we have not received or which is received at such late dates.

Mr. FRASER: This item should stand until we get the answer which the minister said he will produce.

Mr. GIBSON (Hamilton West): It will take a few days. I do not think the item should stand.

Mr. HARKNESS: Parliament will still be sitting several days from now, and the item should stand in the meantime.

Mr. COCKERAM: Now that the minister has his official in front of him, can he give us the revenue of this department?

Mr. GIBSON (Hamilton West): As I explained before, there is no revenue. They have a circulating fund which is used for

operating. They sell to the government departments at cost. The only revenue they get is the excess revenue from the sale of the *Canada Gazette* and from the sale of copies of the statutes.

An hon. MEMBER: And from *Hansards*.

Mr. COCKERAM: How much money is received from this source?

Mr. GIBSON (Hamilton West): $35,000 from publications.

Item agreed to.

277. Distribution of official documents, $65,000.

Mr. SMITH (Calgary West): I speak as one who has never in three sessions sent a speech out of this House of Commons, nor have I sent a copy of *Hansard*. That was my view as to what I said.

Mr. KNOWLES: Not even the speeches of the Minister of Labour?

Mr. SMITH (Calgary West): No. I find some other people infinitely more amusing in this house than he is. This much is true with respect to item 277. There comes to our offices, I think daily, at least a pound of printed matter which goes over your shoulder into the waste-paper basket, if there is one behind your shoulder. It is our fault. I am not criticizing the printing bureau, because we in this House of Commons have authorized this thing. But it seems to me that the amount of useless matter which we get is beyond belief, and my suggestion to the minister is simply this, that in between the sessions he make a survey of this whole thing. In my opinion we receive in our offices more useless material than any other set of men in the world. I suggest that the minister look it over and see if he cannot cut it down. Some chap will say to me, "Have you seen so-and-so?" And I say, "No, thank heaven; I threw it in the waste-paper basket", and that is the attitude of the whole House of Commons. It does seem to me we could cut down on the material we get and hence on the expense.

Mr. FRASER: Following up what the hon. member for Calgary West has said, here is a mass of evidence in twenty divorce cases which came to me the other day. I just picked it up and threw it under the seat because I do not read these cases. I believe that the distribution office should send out a notice to the members of this house and the other house and ask them if they want this evidence. If they want it, send it to them. If they do not want it, do not send it. It is a waste of money to distribute it as is being done.

Item agreed to.

DEPARTMENT OF PUBLIC WORKS

Architectural branch—

Construction, repairs and improvements of public buildings—Ontario—

288. Belleville—public building (revote) $52,000.

Bracebridge public building—addition and alterations (revote), $14,000.

Dominion public buildings—improvements and repairs, $400,000.

Hamilton—office building (revote), $100,000.

Leamington public building—addition, alterations and fittings (revote, $28,000), $33,000.

Ottawa—addition to physical metallurgy laboratory (revote), $60,000.

Ottawa Daly building—improvements to ventilation (revote, $10,000), $16,000.

Ottawa—departmental office building (revote), $100,000.

Ottawa—improvements to ventilation in House of Commons (revote), $20,000.

Ottawa—national film board—addition, alterations and air conditioning of John street accommodation (revote, $14,000), $24,000.

Ottawa—new supreme court building—renovation, completion and furnishing—(revote), $300,000.

Ottawa—building for Department of Veterans Affairs, $100,000.

Ottawa parliament buildings and grounds—improvements (revote), $82,000.

Ottawa Rideau Hall—improvements and alterations (revote, $10,000), $40,000.

Ottawa Royal Canadian Mint—renewal of elevator and alterations to building—(revote, $12,000), $15,000.

Ottawa—storage building for national film board (revote, $3,000), $5,000.

Ottawa—testing laboratory for Department of Public Works (revote), $50,000.

Port Arthur—public building—purchase of site (revote), $50,000.

Sarnia public building—addition and alterations, etc. (revote, $10,000), $25,000.

Sault Ste. Marie—public building (revote), $60,000.

Sudbury—public building site (revote), $105,000.

Toronto city delivery building—extension, restoration and mechanical equipment (revote, $520,000), $750,000.

Toronto postal terminal "A"—battery charging equipment (revote), $10,000.

Toronto—site for postal station on St. Clair avenue (revote, $40,000), $50,000.

Waterloo public building—addition and alterations, etc. (revote), $28,000.

Welland public building—addition and fittings, etc. (revote), $50,000.

Woodstock public building—addition, fittings and improvements to heating (revote, $24,000), $35,000.

Mr. STOKES: Would the minister give some details of the revote of $52,000 for a public building at Belleville?

Hon. ALPHONSE FOURNIER (Minister of Public Works): This is a revote of $52,000 from last year to provide for the erection of a new public building to accommodate all the public services at Belleville. The existing public building erected in 1880 no longer provides sufficient space for the postal and customs business, and the erection of a new building is strongly recommended. This is only the first vote toward the construction of that building, for the preparation of plans and specifications. The building itself will cost far more than that. We shall know only when the tenders come in what the amount will be.

Mr. STOKES: Is it the intention to have all the various federal branches in the one building?

Mr. FOURNIER (Hull): I will give the hon. member every department which will be accommodated in this building: income tax division, unemployment insurance commission, trade and commerce, post office, agriculture, health and welfare, labour, Royal Canadian Mounted Police, customs, and the janitor's quarters.

Mr. FRASER: I do not see anything in the estimates this year for a new federal building for Peterborough, which was promised us away back about 1900.

Mr. FOURNIER (Hull): What year?

Mr. FRASER: About 1900.

Mr. FOURNIER (Hull): I do not know what was proposed in 1900, but I do know that we are studying the possibility of having a new building in Peterborough. We are making a survey of every town and city in the country as to the needs of the different departments for the erection of new buildings. I will look into the Peterborough case and do my utmost to give the hon. gentleman satisfaction.

Mr. FRASER: The customs house there has been overcrowded for some years, and it is awkward now for the officials of the customs house to work there. At the post office extra space has to be rented not just once a year but, I think, more than once a year, and the postmaster has had to give up some of the space in his office in order to make more room in the lobby of the post office for people to come in and post their letters. The lobby of the post office in Peterborough, a city of 35,000, is no larger, I think, than the post office in Lakefield, which has a population of only 1,600. I may say also that the washroom in the post office for the men is down in the basement and it is unsanitary and very small.

Mr. LENNARD: What is this $100,000 revote for Hamilton for?

[Mr. Stokes.]

Mr. FOURNIER (Hull): A revote of $100,000 toward the purchase of a site and the erection thereon of an office building to provide accommodation for the Department of Veterans Affairs and the unemployment insurance commission in Hamilton. The cost of the proposed building is not known; it will run to about $500,000. That is just an estimate.

Mr. ROWE: Whereabouts is it being built?

Mr. FOURNIER (Hull): I am told that they are considering the old collegiate site.

Mr. LENNARD: Might I suggest that the proposed revision of the income tax departments throughout Canada, if they do a good job, will make available plenty of room in the present federal building, and it will not be necessary to spend half a million dollars on additional public buildings in Hamilton. I am not one of those who advocate putting up public buildings all over the country. What I think we should do is attempt to cut down on these expenditures.

Mr. FOURNIER (Hull): The hon. member is a great help to me.

Mr. LENNARD: If you erect the building you will have to keep it in repair at a great cost to the taxpayers of this country. I do not want the minister to put any post offices in my riding or make any additional grants in the form of public expenditure so far as public buildings are concerned. I think we have too many now.

Mr. FOURNIER (Hull): That is good news.

Item agreed to.

Architectural branch—Manitoba—

289. Dominion public buildings—improvements and repairs, $75,000.

St. Boniface public building—addition and alterations (revote, $18,000), $28,000.

Winnipeg—public building site (revote), $300,000.

Mr. KNOWLES: Would the minister be willing to allow this item to stand for ten or fifteen minutes? The other day he asked the hon. member for Churchill to wait until we reached this item, and he has been sent for.

Item stands.

Architectural branch—

Construction, repairs and improvements of public buildings—Alberta—

291. Calgary—accommodation for Department of Trade and Commerce (revote $25,500), $31,000.

Calgary—office building—(revote), $100,000.

Coutts—buildings for customs and immigration (revote $126,000), $140,000.

Dominion public buildings—improvements and repairs, $75,000.
Edmonton—postal terminal (revote), $200,000.
Edmonton—public building (revote), $100,000.
Lethbridge public building—addition, etc. (revote), $14,000.
Peace River public building—local improvements (revote), $7,200.

Mr. SMITH (Calgary West): With regard to accommodation for the Department of Trade and Commerce, revote $25,500, total of $31,000, a reduction of $4,000, will the minister please tell us what that is?

Mr. FOURNIER (Hull): This is a revote of $25,000 for the construction of a building requested by the Department of Trade and Commerce to provide accommodation for their weights and measures inspection service at Calgary; to provide facilities for this service, particularly; for oil truck calibration is important in the Calgary district owing to its proximity to the Turner valley oil fields. The district inspector of the weights and measures section service at Calgary reports that a garage on Tenth avenue in which his department has installed a 50-gallon calibrating tank has been sold, and that he is expecting notice to vacate at any time. No other suitable accommodation is available for rental in Calgary. The estimated cost of the site is $1,375; the new building, $27,000; grading and sidewalks, $500; supervision, $1,000; contingencies, $2,625. We expect to spend that amount this year. We expect to spend the amount of $31,000 on that building for weights and measures. I have given the break-down of what we think the site will cost, the building, the grading and sidewalks, the supervision and so forth.

Mr. SMITH (Calgary West): Where is it?

Mr. FOURNIER (Hull): On the 14th of November the government—

Mr. SMITH (Calgary West): That is a date, not the address.

Mr. FOURNIER (Hull): I will give exactly what it is; lots 21, 22; block 106, plan C, section 15 on the northwest corner of First street east and Fifteenth avenue. That is the exact location where we are to purchase the site.

Mr. SMITH (Calgary West): What I am wondering about is this: may I say this is within the constituency of the hon. member for Calgary East.

Mr. FOURNIER (Hull): I noticed that.

Mr. SMITH (Calgary West): It is not of my bailiwick. Recently the government has had a tremendous building turned over to it. By "tremendous" I mean it must be two or three hundred feet long, four or five stories high and at least 100 feet in depth, which was occupied by military district 13; that is now turned back. I have noticed in the newspapers that certain government departments are moving into this building. It is an immense building. Has the minister made any sort of survey to find out whether this building could not easily accommodate a little thing like a weights and measures department without new construction at the corner of Fifteenth avenue and First street east?

Mr. FOURNIER (Hull): The building the hon. member mentions is rented by National Defence. When they are through using that building they turn it over to War Assets Corporation, but Public Works has priority on these buildings which are turned over to War Assets Corporation. We have not heard that this building has as yet been vacated or released to War Assets Corporation. I am told by my officials that this building for weights and measures is a special sort of building which we could not transform into an office building erected for office space.

Mr. SMITH (Calgary West): With respect, I do not think the answer of the minister is quite good enough. Surely this government which owns buildings in the city of Calgary—I do not care what department it is in—is not going to have War Assets Corporation sell it to someone if this same government has another department which can occupy it.

Mr. FOURNIER (Hull): They will not do that if we need it, because it will have to be offered to Public Works.

Mr. SMITH (Calgary West): You do need it. If the minister followed the newspapers recently he will find that a number of departments of government have already moved into this building to which I am referring. I do not know what weights and measures need. I know they require a weigh scale and certified weights and that sort of thing; but this is really a big place, about two or three times the size of this chamber, and there is a tremendous amount of space there. I am quite sure that the person who is going to sell the lot will enjoy it, but what I am trying to do is to suggest some sort of economy even in my own city. Most people ask for expenditures.

Mr. RINFRET: This is not in your riding.

Mr. SMITH (Calgary West): No, two blocks out.

Mr. HARKNESS: Don't worry about that.

Mr. SMITH (Calgary West): What I am seeking to do is to find a bit of economy in the picture where the thing seems to be written plainly on the wall that you can use this accommodation for perhaps a number of other departments in that city.

Mr. FOURNIER (Hull): The only answer I can give is to read the report of our resident architect in Calgary who advises us on these matters. He says:

> I do not consider it possible under existing conditions to obtain space for the calibration service in an existing building. I recommend that a new building be provided in the central part of Calgary as near the customs building as possible for this service, and if necessary the electricity and gas inspection service as well.

I am further informed that the city is selling these lots I mentioned a moment ago for the amount of $1,375. I do not know; perhaps my hon. friend could advise me, but the architect is the only man upon whom I can rely as to the conditions and the kind of building that is needed. The request comes from the Department of Trade and Commerce to Public Works. They tell us what kind of building they will require, and the request is sent to the resident architect who makes a survey and advises the department as to what should be done. Perhaps he is all wrong; I do not know. Personally I think he is right, though he may be making a mistake. I do not know, however, that I can convince the Department of Trade and Commerce that they should try to turn over another building for the purpose for which they need this special building. The hon. member may know more than I know about calibration and the inspection of electricity and gas, but my architect says that this is the place, not far away from the customs building, and that we need a special building for it.

Mr. SMITH (Calgary West): Perhaps I can answer the questions one at a time. So far as distance is concerned, the building to which I refer is one block closer than the minister suggests. So far as the question of electricity and gas is concerned, there is equality. They are both there. I will not quarrel with the architect, but does the architect whom the minister's department consults have charge of the building of which I am speaking?

Mr. FOURNIER (Hull): I do not think so.

Mr. SMITH (Calgary West): I am quite sure he does not, because if he did he would not even suggest putting up a new building if there were space available in this splendid building I speak of. It was an old store taken over at the first of the war. This government spent over $100,000 in renovating it and it is a good building, and if the architect has not this building in mind there is no question about disputing his judgment if he never took it into consideration in arriving at that judgment. I am not criticizing him; but I am suggesting that, this other building being there and available, and affording space, the minister might at least reconsider the matter and we might save $28,000 or $25,000, or whatever it may be.

Mr. FOURNIER (Hull): We would not save $28,000, because we would have to renovate or refix the space for the requirements in that building which the hon. member mentions, so that there would be some expenditure. Our resident architect in every district knows about every building belonging to the government, even though such buildings may not be under public works control. In this instance, the hon. member mentions a building which our architect has never mentioned to headquarters, and we do not even know if the building belongs to the department or is rented property, or if it is still occupied and what they intend to do about it, while the needs of weights and measures seem to be pressing enough to proceed as soon as possible with this building.

Mr. SMITH (Calgary West): Does the minister suggest that weights and measures need any special kind of construction?

Mr. FOURNIER (Hull): Perhaps I had better read the letter from the Department of Trade and Commerce. The garage at 529 Tenth avenue west, Calgary, in which the calibration tank is at present installed, has been sold to the Consolidated Fruit Company. The letter from the Department of Trade and Commerce states:

> Oil truck calibration is particularly important in the Calgary district owing to the proximity of the Turner valley oil fields, and if we are forced out of our present quarters it will be necessary to have a new location ready so that there will be no interruption in this important public service.
>
> I shall be pleased if you will ask your resident architect to check on this situation and make what arrangement is considered necessary. At the same time I would suggest that some consideration be given to providing a separate building which will provide calibrating space and office quarters. Tank calibration requires extra head room and only in a few buildings is this necessary height available. In Edmonton this problem was solved by putting up our own building.

Mr. SMITH (Calgary West): The calibration can be done anywhere in the world.

Mr. ROWE: Pretty easy money.

Mr. HARKNESS: I notice this is a revote of $25,500, which is $5,500 less than this particular vote. Does that mean that you have already started certain construction on this, and have possibly bought the site, dug the pit where your weigh scales will go, or something along that line? The actual increase is $4,000; but is the difference of $5,500 due to increased cost, or what is the explanation?

Mr. FOURNIER (Hull): Last year we voted $27,000. That was for 1946-47. This year we are asking for $31,000. The $25,500 is the difference between the $1,500 to pay for the site and the $27,000 we obtained last year.

Mr. HARKNESS: That is to say, you bought the site last year.

Mr. FOURNIER (Hull): When these estimates were prepared in October last year we were negotiating with the city of Calgary for the site I mentioned a moment ago, and we expected to make that payment during the fiscal year ending March this year. That payment has been made. We spent $1,452.25 on the site. This year we expect to need the difference of $25,500.

Mr. HARKNESS: This $4,000 difference is due to estimated increased cost of building?

Mr. FOURNIER (Hull): That is right.

Mr. HARKNESS: I come to the next item, Calgary office building, revote of $100,000. What is that building? Where will it be erected and what is the purpose of it?

Mr. FOURNIER (Hull): This is the note I have on the question. This is required towards the purchase of an addition to the government-owned site to provide adequate accommodation for the veterans affairs department and the unemployment insurance commission. It is proposed to erect a four-storey structure 65 feet by 200 feet, with basement and concrete foundations, masonry walls, reinforced concrete frame, brick facing, stone trim, felt and gravel roofing. It is proposed to erect the building on the government-owned site located at the north west corner of fourth street west and Sixth avenue west. This property comprises lots 18, 19 and 20 and has frontages of 130'5" on Fourth street west, and 92'9" on Sixth avenue west. The district resident architect recommends that adjoining lots, 21 and 22, located on Sixth avenue west be acquired. These lots are owned by Mrs. Marion Akins and have been valued at approximately $22,000.

Mr. HARKNESS: What is the location of lots?

Mr. FOURNIER (Hull): It is on lots 18, 19, 20, 21 and 22, northwest corner of Fourth street west and Sixth avenue west.

Mr. HARKNESS: Before we finish with that, there is something I wish to get clear. The government-owned site which the minister speaks of at Fourth street west and Sixth avenue west is, I presume, the site upon which the courthouse is placed in Calgary and the old northwest mounted police barracks, which it has been rumoured for some time were going to be torn down. This building, I presume, is to be erected partly on the site formerly occupied by the old northwest mounted police barracks, including certain other lots there. This northwest corner of Fourth street west and Sixth avenue would be across the street from that. Do I understand that there are to be two buildings here?

Mr. FOURNIER (Hull): It is an addition to the site or to the building we have here in Calgary. We are purchasing lots adjoining the property we now have. We are preparing or trying to prepare plans and specifications for that addition, in which to put the offices of the departments I have just named.

Mr. HARKNESS: I do not quite understand this, because I understood the minister to say that this property would be erected at the corner of Fourth street west and Sixth avenue. As I say, that is the site of the old northwest mounted police barracks. Then they were to buy additional property on the northwest corner. But that is across the street. That is why I was wondering whether there were to be two buildings.

Mr. FOURNIER (Hull): I will read over the description. The hon. member certainly knows more about Calgary than I do. Here is the site for this proposed new addition to the building. It is proposed to erect the building on the government-owned site located at the northwest corner of Fourth street west and Sixth avenue west. This property comprises lots 18, 19 and 20 and has frontages of so much on Fourth street west and a frontage on Sixth avenue west. The district resident architect recommends that adjoining lots 21 and 22 located on Sixth avenue west be acquired. These lots are owned by Mrs. So-and-so and are valued at so much.

Mr. HARKNESS: I must beg the minister's pardon. I understood that the site he was talking about was the site of the old northwest mounted police barracks, but the government already owns land across the street.

Some hon. MEMBERS: Carried.

Mr. HARKNESS: There is one other item I should like to ask about, namely "Coutts—buildings for customs and immigration (revote $126,000)." The present estimate is $140,000, an increase of $14,000. I am sorry that the money which was voted for this last year was not expended last year. I should like to assure you, Mr. Chairman, and the committee that the customs building at Coutts is a bad advertisement for Canada. On the United States side of the border there is a good customs house and a good general set-up of government buildings which is quite impressive. The United States visitor, leaving that set-up and coming across the border into Canada at Coutts, is faced by a poor-looking old building which, I am sure, immediately gives him the impression that he is coming to a poor country which does not amount to much. Last year I was quite pleased when this vote went through for the erection of a new customs building at Coutts. When I came to Ottawa for the present session of parliament, I came by automobile and passed through Coutts on my way. I was disappointed to find that no building had taken place there during the previous summer; and the customs inspector at Coutts, to whom I spoke for some time, understood that nothing would be done until this spring at the earliest. I think the sooner the government makes use of the money which was voted for this item to erect a building on that site which will be a credit to Canada and will favourably impress people coming into this country through that port of entry, the better off we shall be. If construction has not already been started, I should like to urge strongly that it be started immediately, so that we may get reasonably well along before the present construction year has elapsed.

Mr. FOURNIER (Hull): I understand that work is well advanced on the plans and specifications for this building. As soon as they are completed, we shall ask for tenders. We ourselves wish to proceed, because the reports we have concerning the actual buildings there indicate that they are not any credit to our country.

Mr. HARKNESS: Definitely not.

Mr. FOURNIER (Hull): We are doing the best we can to proceed this year.

Mr. HARKNESS: I just understood the minister to say that they are well along with plans and specifications. But the money for this building was voted last year. Surely the plans and specifications were prepared a year ago after the money was voted. Surely we are not at that stage now, a year after the money for this particular building was provided for—

Mr. FOURNIER (Hull): If the hon. member will permit me to interject, this money was voted for the first time at the end of August last year.

Mr. HARKNESS: Yes.

Mr. FOURNIER (Hull): I explained when my estimates first came up, on the general item, that if we had not proceeded with many of these projects it was on account of lack of staff in my office, and lack of material and man-power. I dealt with that the other day. But this is one of the most pressing projects, and we admit that. We could not complete the plans in the fiscal year ended in March this year; we are still working on them. I am informed that in the not too far distant future we shall call for tenders. Proceeding with the putting up of buildings nowadays is perhaps a little more difficult than it was in normal times before the war. I do not recall whether the hon. member was in the house on Friday and Monday night when my estimates came up.

Mr. HARKNESS: Yes.

Mr. FOURNIER (Hull): At that time I tried to give the committee the position of the department as to new construction.

Mr. HARKNESS: I must say that I am very much disappointed to hear that this building, which the minister admits is a most pressing affair, has not yet had the plans and specifications for it completed. Can the minister indicate to the committee whether it will be started this year? I do not mean the plans and specifications; I mean the actual construction.

Mr. FOURNIER (Hull): We hope to ask for tenders as soon as these plans and specifications are prepared. We will lose no time in asking for tenders, and we just express the pious hope that somebody will tender for this job.

Mr. HARKNESS: I should like to point out that when the government really wish to get things done, it is not a matter of waiting around for people to make tenders and so forth. They get to work and get something done. The best illustration of that was what occurred in this country during the war. When we had to get things built, we got them built. I think the same thing applies to an affair of this sort. If the government are seized of the necessity of getting a thing built, they will get it built. They will get construction started

and do it rapidly. But as long as they are fiddling around waiting for somebody to draw up plans and specifications, and then waiting for somebody to put in a tender, I doubt whether we shall ever get the building.

Mr. FOURNIER (Hull): Is it the suggestion of the hon. member that we go ahead and put up this building at all costs?

Mr. HARKNESS: The suggestion I am making is that the Department of Public Works should, in carrying out their duties, show that degree of energy which a department of this dominion should show, instead of playing around with the job.

Mr. FOURNIER (Hull): I do not often play around with a job. Some months from now, when the hon. member comes to read over what he has just said about the procedure the Department of Public Works should follow, I think he may be sorry for suggesting that method of procedure. In our department since confederation we have established some rules of procedure for the protection of public money, and the best way which has been devised, under every government, has been to prepare plans and specifications, call for tenders, and give contracts to the lowest bidders. If the hon. member thinks that in normal times we should return to the procedure we followed in war time—well, if that were done I do not know whether the government to which I belong would wish to occupy these benches. You cannot run this department by trying to have work done at all costs. You have to get the best for the money the people are paying into the coffers of the country. I know of no other way of doing the work.

Mr. HARKNESS: I was not suggesting that this should be done at all costs. I was suggesting that a sufficient amount of energy should be put behind it to get it done. To my knowledge, this thing has been projected at least since 1938, and it may have been projected for many years before that. It is now nine years later; and I realize, of course, that a war has intervened. But surely when the thing was projected as long as nine years ago the government would have plans and specifications, so that when parliament voted money last year they could go ahead with it; that is, if they had enough energy, initiative and good organization to run the public works of this country in a way which, in my opinion, they should be run.

Mr. FOURNIER (Hull): That is a matter of opinion. Let me tell the hon. member that in the last five years I have been head of the department the hon. member is the first one who has told me that my officials lack energy and foresight and that they have not done their work. I would call as witness nearly every member sitting opposite. They will say that in my department they receive courteous attention and service and have had results when they have made requests. When the hon. member expresses his opinion about the running of the Department of Public Works I feel just a little sorry for those old servants we have had for many years in the department who do their utmost at all times.

Mr. HARKNESS: In connection with what the minister has said—

The CHAIRMAN: Order. The hon. member for Red Deer has been endeavouring for the last fifteen minutes to speak. I do not want to cut off the discussion between the minister and the hon. member for Calgary East too abruptly, but in fairness to other hon. members I must say I believe they should be given an opportunity.

Mr. SHAW: The only redeeming feature about getting up and down so often is that I secure exercise which I might not otherwise get. I appreciate very much, Mr. Chairman, your having recognized the fact that I have made an effort to get to my feet.

Speaking about public buildings and proposed construction when the general item was before the committee on June 20, the minister indicated that a great many projects had been urged upon him, and he also analysed certain problems confronting his department in this regard. I fully appreciate the problem with which the minister is confronted. However, as he is probably aware, conditions vary somewhat from area to area so far as available labour is concerned, and I believe that is also true with respect to materials.

So far as I can learn from a return brought down, the minister's supplementary estimates last year included a sum of $107,000 for the public work at Red Deer. That was later deleted, and I believe I appreciate the reason for that being done. The situation there is serious. I believe the Post Office Department has been successful in impressing upon the Minister of Public Works the urgent necessity of undertaking that project at the earliest possible moment. I find in the return that the deputy minister of public works did indicate to the deputy postmaster general that the item had been included last year but was subsequently deleted. He pointed out, however, that it would be given further consideration this year.

I am not going to take more time on the matter. If I were to try I believe I could

paint a dismal picture respecting the situation there. I would urge upon the minister that, if at all possible, the appropriation be given favourable consideration this year and that steps be taken toward completion of the project. I believe it stands pretty much by itself as one of the most serious in Canada today.

Mr. LOW: Has the minister received any request from the people at Fairview in the Peace River district for a new post office building?

Mr. FOURNIER (Hull): I have probably received it, although I have not the communication with me. But, speaking generally, and also replying to the hon. member who has just spoken, may I point out that I believe there are three or four hundred requests for buildings throughout the country by different departments of government. Those buildings are held up because we and our advisers are convinced that we cannot proceed with them. There is no bad will about the matter, nor is there any discrimination. We are a service department, and we follow the recommendations and requests of all the other departments.

All hon. members could, I have no doubt, describe pitiful cases respecting space in their respective constituencies or towns. The minister himself is in the same position with respect to some public buildings. The work has been delayed because we know we shall not be able to proceed this year with those projects, and we do not feel we should have amounts put into the estimates uselessly.

Last year we did try that procedure, and I must admit that a large number of the votes this year are revotes of last year which could not be expended. Why should we pad the estimates this year when I know, and those who advise me know that we shall not expend the money or succeed in putting up those buildings?

Just to see, for myself, last year I travelled this country from one end to the other, not because I did not rely upon the reports I had received from officials in my department in the different districts, but so that I could meet other people and see conditions. I do not mean that in one place we could not put up a building; but, as a general policy, we cannot proceed. With materials and labour available, it would be only proper that they should be directed to the construction of houses. Not more than three weeks ago I had a conference to see if we could, during the fall, proceed with some new works, but I am told that it still would not be feasible.

Mr. LOW: I ask particularly about Fairview because it is a fast-growing town in one of the best farming districts in western Canada. It is going to be thickly populated, and at the present time the post office is housed in the back part of an old and dilapidated rough-board building, with floors which have become so uneven because of the seepage of water that people can scarcely walk across them without tripping. The space in which to handle mail is most inadequate. The roof is leaking to a point where I am satisfied the mails are endangered. I must point out the total inadequacy of the building to handle the work of the Post Office Department.

Just by way of contrast, let me say that in the town of Peace River is a first-class building. Let me congratulate the minister and his department upon maintaining at that point one of the finest public buildings I have seen in any western Canadian town. Not only is it well built, but it is extremely well looked after. It has the most up-to-date equipment, which is a splendid thing. I should like to impress upon the minister that if he cannot see his way clear to build a small well-equipped building in Fairview, he and his officials do something about renting some other place at which a post office could be located.

Mr. FOURNIER (Hull): Or repair the present building?

Mr. LOW: Or repair the one that is there. What is the revote of $7,200 for the Peace River public buildings for?

Mr. FOURNIER (Hull): That is the amount required to pay the government's portion of sewer and water services for the post office and telegraph buildings, alterations to the post office drain and the installation of plumbing in the telegraph building.

Mr. SHAW: I wanted to make it quite clear when I spoke that I appreciate fully the problems confronting the minister, but I am concerned over this item having been included in the supplementary estimates and then deleted before they were presented to the house.

Mr. FOURNIER (Hull): A request will come to the Department of Public Works from the Post Office Department. We prepare either the main or supplementary estimates which go before treasury board and then before the government. The mere fact that a department recommends an expenditure does not mean that it will go through. These items are studied and brought before treasury board and government where the final decision is made.

Mr. SHAW: I just want to emphasize that the urgency of this project was recognized

and I hope it will not be relegated to the bottom of the ladder when the time comes that the department can undertake these projects. As I say, both the Post Office Department and the Department of Public Works have recognized the urgency of this.

Mr. FOURNIER (Hull): I want to be fair. If it is a new building I cannot commit myself. I made the same answer to the hon. member's colleagues on the other side.

Mr. SHAW: I am simply asking that at some future time when conditions permit the construction of new buildings, this project, the importance of which has been recognized, be not relegated to a position at the bottom of the construction ladder. I hope it will be one of the first undertaken because the condition is quite serious. I am not asking for special consideration at the moment.

Mr. BENTLEY: I wonder if I might have the indulgence of the committee to ask a simple, non-controversial question on item 290. I should like to ask if there is any provision in the vote for $75,000 for an addition to the post office in Swift Current?

Mr. FOURNIER (Hull): This vote is required for improvements and repairs in connection with dominion public buildings in Saskatchewan. It is not known in advance what repairs will be required. If Swift Current is in need of repairs I am sure the architect will make a report and the repairs will be made.

Mr. MOORE: I should like to ask a question regarding the construction of a federal building in Flin Flon, Manitoba. I have had several communications from the minister and also from the Postmaster General regarding this work. I do not intend to cover any of the ground which I covered with respect to this building during the budget debate. I think it will be sufficient for me to say that Flin Flon has grown rapidly since 1930. At the time of its establishment as a mining centre, the post office was built to supply the needs of about 500 people, but at the present time some 10,000 live in that area and the present post office facilities are entirely inadequate to meet their needs. I am sure the minister and the Postmaster General have received many communications from the Flin Flon city council and board of trade requesting that the construction of a federal building be undertaken at the earliest possible moment. I should like to put on record a copy of a resolution which I received from the Flin Flon city council in 1944 regarding the necessity of this building. This reads:

(a) The post office building at present in use is too small and crowded for the amount of mail handled in Flin Flon and is not fireproof, as it should be for the value of the business handled.

(b) A large amount of merchandise and parcels pass through the hands of the customs people and at the present time much delay is caused through the nearest customs office being at The Pas, Manitoba.

(c) The unemployment insurance office and the prices and trade board are now operating in Flin Flon from small buildings around the town and could conveniently be housed in a federal building.

(d) The R.C.M.P. have the policing of the town and the adjacent areas and are at present housed in the municipal hall. As there must of necessity be more men in the local detachment than are actually required for policing the town, the quarters provided by the municipal district are found to be inadequate.

(e) The child welfare department is at present in a separate building and, together with a ladies' rest room, could provide the solution to a health problem of the town if established in a federal building.

(f) The Saskatchewan and Manitoba departments of natural resources could each have office space in the federal building embodying a recording office. This would dispense with the necessity of waiting for one or the other of the men concerned to return from the bush to a small shack that now accommodates them.

I am sure the minister realizes the necessity of the early construction of a new post office in Flin Flon. I draw this to his attention at this time, and I hope that in the near future the construction of this building will take place.

Item agreed to.

Architectural branch—

Construction, repairs and improvements of public buildings—British Columbia—

292. Chilliwack public building—addition (revote), $40,000.

Dominion public buildings—improvements and repairs, $150,000.

Douglas—buildings for customs and immigration (revote, $104,000), $120,000.

Hazelton—public building (revote), $21,400.

Kamloops public building—addition and alterations (revote), $36,000.

North Vancouver—postal station (revote), $50,000.

Vancouver examining warehouse—installation of elevator (revote), $25,000.

Vancouver—post office building site (revote), $250,000.

Vancouver public building—improvements and repairs, $5,000.

Victoria—public building (revote), $200,000.

William Head quarantine station—alterations, improvements and repairs (revote), $66,000.

Mr. FULTON: Could the minister comment upon the revote for the public building at Kamloops? Can he say whether it is anticipated that the work will get under way this year?

Mr. FOURNIER (Hull): The contract for this addition and these alterations was awarded

on March 5, 1947, to Bennett and White Construction Company, the amount being $41,600.

Mr. FULTON: What does that cover? What alterations and repairs are contemplated?

Mr. FOURNIER (Hull): There is an addition to the existing building of a two-storey structure with a basement twenty-four feet, six inches by fifty-six feet, six inches; concrete foundation walls, masonry exterior walls, brick facing, stone trim.

Mr. FULTON: Could no local firm be found to undertake that contract?

Mr. FOURNIER (Hull): The tenders were publicly advertised in the papers and anybody had the right to tender. The lowest tenderer was Bennett and White Construction Company Limited.

Mr. FULTON: Of Vancouver?

Mr. FOURNIER (Hull): And Calgary. There was another bid from J. C. Taylor & Son for $49,396.

Mr. FULTON: No preference is given to local firms?

Mr. FOURNIER (Hull): Absolutely none. The tenders are publicly opened at a fixed hour and date, and there is an association called the Canadian Construction Association which has a representative sitting in the department when the tenders are opened to see just what takes place.

Mr. PEARKES: With reference to the item, William Head quarantine station, alterations, improvements and repairs, $66,000 there is, as an adjunct of that quarantine station, a leper station on Bentinck island. Could the minister say whether any proportion of this $66,000 is to be spent on alterations, improvements and repairs to the buildings and establishments on that island?

Mr. FOURNIER (Hull): A contract was let for repairs to the different buildings. An order in council was passed, April 24, 1947, granting authority to accept the tender of Canada Paint and Contracting Company at $66,894 for general repairs, painting, plumbing and heating installations at the quarantine station at William Head. Two bids were received, one from H. V. Jones at $69,628.27, and one from Canada Paint and Contracting Company at $66,984.

Among the works at Bentinck island are patients' cabins Nos. 1, 2 3, 4 and 5 and meat house No. 9, repairs and improvements, $3,350; nurses' residence, painting, improvements to heating and repairs, $985; attendants' residence, improvements to plumbing, repairs and painting, $1,240.

Mr. PEARKES: I suggest that, since there are only three patients there and since there have only been from two to three patients in that station in the last ten years, that is a very large amount of money to spend on such an establishment. There is another leper station in eastern Canada at Tracadie, where there are only seven lepers, and since the general maintenance of the leper station at William Head costs some $5,000 a year I suggest that this expenditure seems a lot for just three men. One is a Chinaman, one a Jap, and one is a white missionary who has just been sent there. If we are to spend money there it might be advisable to send the seven patients from eastern Canada out there, or if you are not going to do that, would it not be wise to move the three from this island and send them to Tracadie? But an expenditure such as is suggested is a lot of money to spend to look after three men.

Mr. FOURNIER (Hull): I agree. But the hon. member understands that these repairs are being made at the request of the Department of National Health and Welfare. All we do is act as agents for the department. I think the remarks made by the hon. gentleman are very sensible. There are, I understand, only two of these leper stations in Canada, one in New Brunswick and the other on Bentinck island. Perhaps they could send these three patients on Bentinck island to the other leper station at Tracadie, where there are more than three patients.

Mr. PEARKES: I do not mind whether you transfer the three to New Brunswick or transfer the seven to western Canada, but it does seem unnecessary to go ahead and spend this money for just three patients. I would suggest that the minister refer the matter back to the Department of National Health and Welfare.

Mr. MacINNIS: I would ask the minister for some information in regard to the $250,000 item for a post office site in Vancouver. Where is that site located?

Mr. FOURNIER (Hull): There are three pages of the description of the site. I do not know whether the hon. member wishes to have that put on *Hansard*. We are proceeding with negotiations and, if my hon. friend wishes to have these pages tomorrow, I could send them to him. It is a list of all the properties and the value we put upon them.

Mr. MacINNIS: I do not want to clutter the pages of *Hansard* with too much detail. Do I understand that the site has not yet been bought, but that negotiations are going on with respect to its purchase?

Mr. FOURNIER (Hull): We know exactly where the site of the building is, but it comprises several properties. I have here a description of the lots, the properties on them and the value put on them.

Mr. MacINNIS: Has the minister the street location?

Mr. FOURNIER (Hull): The lot numbers are: 1-3; 4-6; 7-8; 9-10; 11-12-13; 14; 15; 16; 17; 18; 19; lot 20 and the north part of lot 21; lots 27-28; lot 29 and the south half of lot 30; the north half of lots 30, 31, 32 and 33, 34, 35, 36; block 30, D.L. 541, bounded on the north by Pender street, on the east by Hornby street, on the south by Dunsmuir street, and on the west by Burrard street.

Mr. MacINNIS: Is the $250,000 a partial payment? I know it was $750,000 last year.

Mr. FOURNIER (Hull): We did decrease this vote because we did not expect to expend more than $250,000 during this fiscal year on this purchase, and that is why we thought we would bring the vote down. We did not succeed in the first year in negotiating or expropriating the whole lot; we are working on this now, and we do not believe that we can expend more than the amount of $250,000.

Mr. MacINNIS: Has the minister any idea as to what the total cost of the property will be?

Mr. FOURNIER (Hull): The assessment I know, which is $423,070.

Item agreed to.

Architectural branch—
Construction, repairs and improvements to public buildings—generally—
293. Dominion immigration buildings—repairs, improvements, etc., $45,000.

Mr. HAZEN: Has any provision been made to provide for an immigration building at the port of Saint John? Is there anything at all in these estimates or in the estimates that may be brought down later?

Mr. FOURNIER (Hull): We are just considering the supplementary estimates, and I know that consideration is being given to the question of an immigration building for Saint John.

Item agreed to.

Architectural branch—
Construction, repairs and improvements to public buildings—generally—
296. Flags for dominion buildings, $12,000.

Mr. BROOKS: When the minister purchases new flags for dominion buildings to replace the old ones, what flag does he purchase and send out? Is it the union jack or the Canadian ensign.

An hon. MEMBER: The Canadian flag.

Mr. BROOKS: There is no such thing as a Canadian flag. We have not yet adopted a Canadian flag.

Mr. SINCLAIR (Vancouver North): The hon. member called it the Canadian ensign.

Mr. BROOKS: I am not asking the hon. member. I do not think he knows anything about it; I am asking the minister.

Mr. FOURNIER (Hull): Actually we are buying the two flags, the union jack and the red ensign.

Mr. BROOKS: Does the minister give a particular location the choice of which flag they will have, whether they will have the union jack or the Canadian ensign?

Mr. FOURNIER (Hull): We have, I believe, bought this year seventy-five per cent red ensigns and twenty-five per cent union jacks.

Mr. WHITMAN: Why?

Mr. LENNARD: That is a very good question.

Mr. FOURNIER (Hull): On September 5, 1945, an order in council was passed that the red ensign be put up on public buildings. We have continued buying the union jack, but we have bought more of the other, and we have sent out both to our public buildings. I believe some of them have asked for red ensigns and others for the union jack.

Mr. BROOKS: It is a matter of choice?

Mr. FOURNIER (Hull): Personally I am not fighting over it. If somebody wishes the union jack I will tell my officials to send out a union jack. If they want the other one they will get the other one. That is my feeling.

Mr. BROOKS: The minister is a diplomat.

Mr. LENNARD: Who has this choice?

Mr. FOURNIER (Hull): If they ask for flags, and it happens that they do not like one, if they ask for the other they get it.

Mr. LENNARD: So far as the public building in Dundas, Ontario, is concerned, which is

a post office which has a caretaker and a postmaster, who will be the one who would request either the red ensign—

Mr. FOURNIER (Hull): Probably the caretaker who flies the flag.

Mr. LENNARD: I will inquire when I go home next week-end.

Mr. FOURNIER (Hull): I cannot stop the hon. member from inquiring.

Mr. LENNARD: I shall see that the correction is made in that case.

Mr. SINCLAIR (Vancouver North): I should like to direct one inquiry to the Minister of Public Works. He spoke about the red ensign. I take it that is the same flag which the hon. member for Royal rightly described as the Canadian ensign.

Mr. FOURNIER (Hull): Yes, the red ensign. The Canadian ensign to me is the one that has the union jack in the corner and the coat of arms in the fly. That is the one to which I have reference.

Mr. SINCLAIR (Vancouver North): The Canadian ensign.

Mr. LENNARD: The mutilated coat of arms.

Mr. CHARLTON: I understand that in my riding some officials in dominion buildings have had a letter from some department of government advising them that only the Canadian red ensign was to be flown from a dominion public building in that town. Is it true that an official letter has been sent out? Did the department send it out? Under whose direction was it sent out?

Mr. FOURNIER (Hull): This is the policy of the government concerning the flying of the flag. The position of my officials was that they had an order in council which was passed in 1945 on the flying of the red ensign. The policy is as follows:

> The flying of the red ensign as a flag distinctive of Canada, was authorized by an order in council P.C. 5888 on September 5, 1945. The red ensign has been flying on the parliament buildings since that date, and the Department of Public Works has gradually been substituting the red ensign for the union jack on public buildings as the supply of union jacks becomes exhausted, and the supply of red ensigns becomes available. This policy is in line with the decision made by parliament when a committee of both houses was set up in the first session of the present parliament.
>
> During the duration of world war I by the order of the deputy minister dated 4th September, 1917, the flags were flown every day of the year from all public buildings in the dominion.
>
> After the conclusion of the war the continuation of this policy of flying the flags daily was taken up with the hon. the minister, dated the 18th July, 1919. The flags were ordered to be flown every day throughout the year.

This is the policy which guides the officials of my department.

Mr. CHARLTON: The minister just made the statement that it was left to some official in the public building which flag was to be chosen to fly.

Mr. FOURNIER (Hull): Do not mistake what I said. When an official who flies the flag on a building where he is an official, asks the department for a union jack—

Mr. CHARLTON: He gets it?

Mr. FOURNIER (Hull): I do not know of a case where it has been refused. If they want the other one they receive it. I do not know if I can do anything better than that.

Mr. CHARLTON: I am just trying to find out which is correct?

Mr. FOURNIER (Hull): Which is which?

Mr. CHARLTON: Yes. I know of one official in my own riding who told me that they had been notified to fly only the Canadian red ensign.

Mr. FOURNIER (Hull): Did the hon. member see the letter? We gave no instructions to force them to fly one flag or the other. I have read exactly what has taken place, and I want this on the record so that there will be no misunderstanding. I have read the policy to the committee. If the hon. member wishes to have one flag on the building in his home town and we receive that request they receive the flag they ask for. I am told that is what has been done by the officials.

Mr. CHARLTON: I am wondering who has the right to decide.

Mr. FOURNIER (Hull): It is Public Works. I am the custodian of the flags of this country.

Mr. LENNARD: I think that is a fair statement, and one that is acceptable so far as I am concerned. If a change is requested, will the other flag be sent along immediately.

Mr. FOURNIER (Hull): Yes.

Mr. FRASER: The other evening the minister said he would get me the figures.

Mr. FOURNIER (Hull): Is the hon. member referring to the film board?

Mr. FRASER: The eight buildings I spoke of.

Mr. FOURNIER (Hull): I am told that Mr. Boucher, the man in my department who attends to leases, is preparing that report. It is not ready tonight, but I will get it as soon as possible.

Mr. BLACKMORE: I wish to congratulate the minister on what he said regarding the flag. There are areas in this country that still love the union jack. I am glad that the minister has taken the attitude he has.

Item agreed to.

Architectural branch—
Construction, repairs and improvements of public buildings—generally—
299. National printing bureau (revote, $100,000), $200,000.

Mr. McLURE: We are coming to the end of the architectural branch under public works, and I would point out to the minister that there is $4 million for temporary employment or assistance under this branch. Is there any way of getting a break-down of that amount? I believe the exact amount is $3,900,000 for temporary assistance.

Mr. FOURNIER (Hull): We went over that item the first night my estimates came up. I have not my book here, but in this department most of the employees are temporaries or what we call regulars or seasonal. They do not come under the Civil Service Act. All the prevailing-rates people, some two thousand charwomen, are not under the Civil Service Act, and that is for the maintenance of our public buildings, the salaries of these people taking most of one of these first items we discussed the other night.

Mr. McLURE: Surely we ought to be able to get some break-down. Is it all temporaries in Ottawa, or is it in different localities wherever there is a public works branch?

Mr. FOURNIER (Hull): In the first item of all, out of a total of $206,599 of salaries, $50,034 is paid to temporaries. Of salaries for maintenance and operation of dominion buildings in Ottawa, out of a total of $2,428,198, the salaries of temporary staffs amount to $1,932,551. If the hon. gentleman wishes to have the figures for maintenance of buildings outside Ottawa, out of total salaries of $2,994,060, the sum of $1,847,826 is for temporaries.

Mr. CHARLTON: On the details of services, at page 203 of the estimates, the minister has stated that part-time caretakers, charwomen, form a part of the extra—

Mr. FOURNIER (Hull) What is the number of the item?

Mr. CHARLTON: I am referring to the architectural branch, item 299, and I am follow-up what the member for Queens said. There is an amount of $20,473 on page 203 in connection with part-time caretakers, and yet the minister stated that was included—

Mr. FOURNIER (Hull): So that we may understand each other, I should like to know what the hon. gentleman is referring to.

The DEPUTY CHAIRMAN: The item we are dealing with now is 299, a sum not exceeding $200,000 to be granted for public works, architectural branch, construction, repairs and improvements of public buildings, generally, national printing bureau, revote, $100,000.

Mr. CHARLTON: That is all included under the architectural branch and the details are on page 203. There are forty-one caretakers part-time with a total of $20,473, and yet the minister says that temporary assistance included part-time caretakers. It is listed as part-time beside the temporary assistance.

Mr. FOURNIER (Hull): The hon. gentleman is going back to what we discussed last Friday night. This is under item 280 or 281. I can go back over all my estimates—

The DEPUTY CHAIRMAN: I suggest that the minister read the items under 299 and the hon. member will know what comes under it.

Mr. CHARLTON: The item of temporary assistance comes up in connection with every vote and we can bring it up on every item.

Mr. FOURNIER (Hull): If the hon. gentleman will open his book of estimates and look at page 33, item 281, he will find there maintenance and operation of dominion public buildings and grounds, and so forth.

Mr. CHARLTON: That is in Ottawa. The item I refer to is the architectural branch outside Ottawa.

Mr. FOURNIER (Hull): That is item 282, which was carried on Friday night. Page 202 gives the details of all the civil servants and employees for maintenance of these buildings outside Ottawa.

The DEPUTY CHAIRMAN: Shall the item carry?

Item agreed to.

Architectural branch—
Construction, repairs and improvements of public buildings—generally—
300. Public buildings generally—repairs, alterations, fittings and improvements, $500,000.

Mr. BOUCHER: Can the minister explain the increase from $300,000 to $500,000?

Mr. FOURNIER (Hull): It is to meet the very request made by the hon. member for Carleton on Friday night, that we put a little more paint on and clean up the buildings in Ottawa. We thought we would increase the amount.

Item agreed to.

Architectural branch—
Construction, repairs and improvement of public buildings—generally—
301. Veterans' hospitals—repairs, improvements and alterations, $175,000.

Mr. LOCKHART: What hospitals are included here?

Mr. FOURNIER (Hull):

Halifax, N.S., Camp Hill, Veterans Home.
Saint John, N.B., Lancaster Hospital.
Quebec, P.Q., Savard Park Hospital.
Ste. Anne de Bellevue, Ste. Anne's Hospital.
Ottawa, Ont., Health Centre.
Kingston, Ont., Hospital.
Peterborough, Ont., T.B. Hospital.
Toronto, Ont., Christie Street Hospital.
London, Ont., Westminster Hospital.
Winnipeg, Man., Deer Lodge Hospital.
Regina, Sask., Veterans Home, Health Centre.
Saskatoon, Sask., Hospital.
Calgary, Alta., Col. Belcher Hospital.
Vancouver, B.C., Shaughnessy Hospital.
Victoria, B.C., Hospital, Convalescent.

Mr. FRASER: The minister mentioned a hospital in Peterborough. It was burned down last December.

Mr. FOURNIER (Hull): Yes. I understand that it was burned down last year.

Mr. FRASER: And I am very sorry for it.

Item agreed to.

Architectural branch—
Construction, repairs and improvements of public buildings—
Generally—
302. London, England—Clerk's table for the new British House of Commons, $7,500.

Mr. BROOKS: Will the minister explain this item? It seems to be something new.

Mr. FOURNIER (Hull): Yes. This amount is to provide for the purchase of the necessary material for the construction of a Clerk's table for the new British House of Commons. The table will be constructed of Canadian hardwood and will be a gift from Canada toward the restoration of the British House of Commons. Canada is giving the Clerk's table. I understand that Australia is giving the Speaker's chair and that New Zealand is giving the chairs for the Clerk's table.

Mr. GIBSON (Comox-Alberni): Will there be any British Columbia wood in that table? I hope so.

Mr. HAZEN: Who designed the table?

[Mr. Boucher.]

Mr. FOURNIER (Hull): I think it will be designed by somebody overseas. They will find the design.

Mr. LOCKHART: We will pay for it.

Item agreed to.

Engineering branch—
303. Branch administration, $259,777.

Mr. CHARLTON: Can we get a breakdown of this item of $53,062 for temporary assistance?

Mr. FOURNIER (Hull): That is the engineering branch. Permanent salaries, $169,095; temporary assistance, $53,062.

Mr. CHARLTON: What does that consist of?

Mr. FOURNIER (Hull): It consists of fifty-eight permanent civil servants who are working in the engineering branch of the head office.

Mr. CHARLTON: Permanent engineers?

Mr. FOURNIER (Hull): Fifty-eight permanent engineers or staff in the engineering branch in Ottawa. We pay those gentlemen $169,095. We have thirty-three temporary employees, who are civil servants also, and they receive $53,062.

Item agreed to.

Engineering branch—
304. Engineering, including salaries of engineers, clerks, etc., $680,753.

Mr. ARCHIBALD: I do not know whether I shall be in order, but I think the point I wish to bring up would come under engineering. It has to do with a survey crew to find out just what is around on the water-front in the Bella Coola valley. Seemingly the original property was owned by the Hudson's Bay Company. They had possession of the foreshore rights which are, as I understand it, different from what they are in most places. There is some confusion with regard to who owns the property. For example, in bringing cattle down from the Williams lake country, the people do not know whether they are going over public or private property, when it comes to loading the cattle off government docks. The people would like to have a new survey. The river is filled up at the mouth, at tidewater, and the picture is confused at the present time. It would be a great service to these people if a new survey were made and clear-cut lines were drawn.

Mr. FOURNIER (Hull): I will give instructions to the engineer on the coast to make a survey and report.

Item agreed to.

Dredging—
306. Maritime provinces, $819,798.

Mr. McLURE: Is the dredging which was requested for the fishermen in Queens county included in this item? Last year and the year before, the matter was brought to this department, and the fishermen there were asking to have Harris bay or Rustico bay dredged out so that they could bring their boats from the harbour up to the head of the lake. It has not been dredged since 1933. We can let the item stand if the information is obtained.

Mr. FOURNIER (Hull): The hon. member is talking of Rustico?

Mr. McLURE: Dredging in Prince Edward Island. One of the items was in Queens county, dredging for the fishermen at Rustico bay.

Mr. FOURNIER (Hull): Out of this general vote we will certainly do dredging at Wood island, Queens, $45,500.

Mr. McLURE: That is for the ferry. Georgetown railway wharf, 3,600 feet square measure; that is in Kings county; Beach Point, Summerside, Victoria.

Some hon. MEMBERS: Eleven o'clock.

Mr. McLURE: Let the item stand.

Mr. FOURNIER (Hull): For Rustico, Queens, I have not the measurement, but some dredging is being done there.

The DEPUTY CHAIRMAN: Shall the item carry?

Some hon. MEMBERS: Stand.

Mr. FRASER: That is $22,000,000 passed tonight.

Item stands.

Progress reported.

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

Thursday, June 26, 1947

The house met at two o'clock.

STANDING COMMITTEES

INDUSTRIAL RELATIONS—PUBLIC ACCOUNTS—RADIO BROADCASTING—CHANGES IN PERSONNEL

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs) moved:

That the name of Mr. Timmins be substituted for that of Mr. Smith (Calgary West) on the select standing committee on industrial relations.

That the name of Mr. Murphy be substituted for that of Mr. Smith (Calgary West) on the select standing committee on public accounts.

That the name of Mr. Miller be substituted for that of Mr. Smith (Calgary West) on the special committee on radio broadcasting.

Motion agreed to.

PRIVILEGE

REFERENCE TO REMARKS IN DEBATE ON JUNE 25

Mr. DONALD M. FLEMING (Eglinton): Mr. Speaker, I rise on a question of privilege. During my absence from the house yesterday afternoon, after which I returned last evening, the Minister of National Health and Welfare (Mr. Martin) referred to myself. After referring to the C.C.F., he is reported on page 4644 of yesterday's *Hansard* as saying:

> —they have the same opportunity of doing what I think my hon. friend the leader of the opposition (Mr. Bracken) did and what the member for Eglinton (Mr. Fleming) did. They called up George Drew on the telephone and said, "You had better increase your pension as a result of Martin's bill."

I want to say, with all the emphasis and all the force which the rules of this house permit to a member, that in that statement by the Minister of National Health and Welfare there is not the slightest word of truth. There is not—

An hon. MEMBER: That is enough.

Mr. FLEMING: —a scintilla or iota of truth in any word or syllable or letter of that statement. I did not telephone the premier of Ontario, and—

Some hon. MEMBERS: Order.

Mr. FLEMING: —he did not call me to ask my advice.

Some hon. MEMBERS: Order.

Mr. FLEMING: I want to say this—

Some hon. MEMBERS: Order.

Mr. SPEAKER: I think the hon. member has had an opportunity of stating his question of privilege.

Mr. FLEMING: With great respect, the suggestion has been made here that there was some communication between the Premier of Ontario and myself arising out of the statement made by the minister. I want to say that there was no such communication—

An hon. MEMBER: All right.

Mr. FLEMING: —between us. The minister's statement is a piece of monstrous impertinence.

Hon. PAUL MARTIN (Minister of National Health and Welfare): I have listened to what the hon. gentleman has said—

Some hon. MEMBERS: Order.

Some hon. MEMBERS: Withdraw.

Mr. SPEAKER: Is the minister rising on a question of privilege?

Mr. MARTIN: Yes.

Mr. SPEAKER: I would ask the minister to state his question of privilege and be as brief as possible.

Mr. MARTIN: I will, Mr. Speaker. I just want to say that when it was pointed out to me yesterday on behalf of the hon. member that he had not said that, I withdrew it. I am now faced with the fact that the hon. member is not on speaking terms with the premier of Ontario.

An hon. MEMBER: Shame.

Mr. FRASER: That is dirty politics.

Mr. FLEMING: Mr. Speaker—

Mr. SPEAKER: Order. I would ask hon. members to behave like members of the House of Commons and not like children.

Mr. FLEMING: Mr. Speaker, the minister has just made a statement—

Mr. SPEAKER: Order. I have permitted the hon. member to state his question of privilege. I would ask hon. members again not to act like children but as members of the house.

Mr. FLEMING: On another question of privilege, Mr. Speaker, the minister has just made another statement which reflects on the privileges of members of the house. He said that the premier of Ontario and I were not on speaking terms. There is no truth in that at all.

Some hon. MEMBERS: Withdraw.

Mr. SPEAKER: Order. Hon. members on both sides of the house must realize that certain remarks which have been made in the house in the last few days are not a credit to the dignity and decorum of the chamber. I would ask the members to proceed with the business of the house.

FEED GRAIN

STATEMENT WITH RESPECT TO SUPPLIES IN BRITISH COLUMBIA

Hon. ERNEST BERTRAND (Acting Minister of Agriculture): Mr. Speaker, may I make a very quiet statement with respect to supplies of feed grain in British Columbia.

In answer to various inquiries and representations which have been made in the house in respect to a present shortage of supplies of feed grain in British Columbia, I wish to state that the present situation is acute in eastern Canada as well as in British Columbia. It has not been possible for western shippers to satisfy the effective over-all demand, which has been augmented by the concern over eastern crops.

During recent weeks the bulk of the movement in coarse grains for feed has been to eastern Canada, with comparatively little moving to British Columbia. Oats and barley shipped to eastern Canada are sold on the basis of ceiling prices in store Fort William/Port Arthur, 65 cents for oats, plus charges for shipment and handling east of Fort William/Port Arthur, less freight subsidy paid by the government. The same grains shipped to British Columbia are sold on the basis of ceiling prices in store Vancouver, plus handling charges, less freight subsidy paid by government. The current over-all shortage of coarse grains as compared with effective demand has resulted in the purchase of these grains by western interior mills, or for shipment to eastern Canada, on the basis of Vancouver export freight rates whereas previously coarse grains were purchased in Alberta on the basis of Fort William/Port Arthur freight rates and were shipped to British Columbia to the full extent of the requirements of that province at approximately two to three cents per bushel less than would have been the case had they been purchased on the Vancouver rate. In other words, British Columbia requirements were filled first and the balance of the oats and barley then moved eastward.

In view of the changed circumstances, it may probably be necessary for the British Columbia feeder to pay from two to three cents per bushel more for his feed oats and barley than has formerly been the case; that is, he will pay $1.90 a hundredweight for feed oats. But even though he does pay such increased prices, they are still within the ceiling price regulations currently in effect and will still be lower than those now paid by the eastern consumer.

The government no longer possesses the power to direct shipments of oats and barley from Alberta into British Columbia, but it is felt that the British Columbia dealers can place themselves in a competitive position with respect to the eastern trade and will thus have equal access to available supplies. The situation is under constant review by the Department of Agriculture and the Canadian wheat board. It is felt that the companies who have traditionally serviced the British Columbia market will continue to

supply these requirements on a basis of equality, having regard to available supplies.

I should add that with respect to feed wheat, the British Columbia market is currently amply supplied. During the last two weeks, approximately 400,000 bushels of low-grade wheat for feeding purposes has been released by the Canadian wheat board to the trade at Vancouver, and further reserves are being held at Alberta country points for shipment to British Columbia in accordance with indicated requirements.

It is reasonable to assume that if western crop conditions continue as favourable as they are at present, producers' marketings will increase, thus relieving the present tight situation.

[*Later*:]

On the orders of the day:

Mr. E. D. FULTON (Kamloops): I wanted to ask a question in relation to the statement read by the Postmaster General (Mr. Bertrand) for the Minister of Agriculture, but I see he is not in his seat. Perhaps some other member of the government might bring it to his attention and be good enough to ask him for a reply. It has to do with the possibility referred to by the minister of an increase of one or two cents per pound in price to the feeders of grain in British Columbia. Since this is so important a matter to those who are feeding live stock I would ask the minister whether instead of doing it the way he suggested, he would consider doing it by increasing the rail subsidy to take care of what would otherwise be an increase in price.

Mr. MACKENZIE KING: I shall be pleased to see that my hon. friend's question is brought to the attention of the minister.

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): In view of the fact that the government have officially admitted today that the supply of coarse grains is sufficient to feed our stock, will the Minister of Finance reconsider the question of permitting the restaurants to serve meat on our national holiday?

An hon. MEMBER: Hot dogs.

Mr. CRUICKSHANK: Hot dogs my foot. We want meat.

CHEESE

ADVERTISING OF CANADIAN PRODUCTS IN GREAT BRITAIN

Hon. ERNEST BERTRAND (Acting Minister of Agriculture): Mr. Speaker, I wish to answer a question asked yesterday by the hon. member for Brant (Mr. Charlton) in respect to the advertising of Canadian cheese in Great Britain.

During the war and since, the sale in the United Kingdom of cheese and other strictly rationed products as national products has not been permitted. Advertising generally has not been considered desirable and certain types of advertising have been prohibited. The dominions, including Canada, accordingly discontinued all advertising. Recently some general forms of advertising have been undertaken, and in this regard Canada has required by regulation that all Canadian cheese exported be marked "Canada". Every Canadian cheddar cheese weighing more than sixty pounds now exported bears the word "Canada" fifty-eight times.

UNITED NATIONS

ANNIVERSARY OF SIGNING OF CHARTER—CANADIAN DELEGATION TO FIFTH SESSION OF ECONOMIC AND SOCIAL COUNCIL

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, hon. members will be aware that this day marks an important anniversary. On June 26, 1945, at the city of San Francisco, the charter of the united nations was signed in the name of the peoples of fifty nations. These nations, which had fought together successfully in war, now resolved to combine their efforts to accomplish the noble aims which they had written into the charter.

The organization which they thus created was to have within its purview every aspect of international action. In the important field of international economic and social cooperation Canada has had a particular interest. Export trade is the basis of this country's employment and prosperity, and Canada has therefore a real stake in the economic well-being of the world. It is in our own interest for us to do all we can to assist in its restoration and maintenance. Economic isolation is for Canada, as for all nations, as impractical a policy as political isolation.

The importance of this aspect of the work of the united nations is recognized in the preamble of the charter in the resolution "to employ international machinery for the promotion of economic and social advancement of all peoples" and thus "to promote social progress and better standards of life in larger freedom." For the achievement of these ends the economic and social council was created. It was given responsibility, under the author-

ity of the general assembly, for the solution of international economic, social, health and related problems.

In the discharge of this extensive task the economic and social council supervises and controls the subordinate machinery of commissions and subcommissions and coordinates the activities of the various specialized agencies with which it has entered into relationship. This important work is less spectacular and less well known than that of other united nations organs. It is, however, the real foundation of international cooperation and of lasting peace.

The united nations and its organs have given us the opportunity of cooperating to rebuild a world economic system. It is too easy, in the midst of the difficulties and risks involved in this great task, to surrender to impatience and dissatisfaction with the measure of progress which has been made in these two short years. We must, however, remember that the aims of the charter cannot be lightly won. Every effort is required to make the work of the economic and social council a success and Canada has, I think, a particular contribution to make.

I am particularly pleased to announce on this day the Canadian delegation which will attend the fifth session of the economic and social council, scheduled to commence in New York on July 19. My colleague, the Minister of National Health and Welfare (Mr. Martin), will head the delegation. Doctor George F. Davidson, the deputy minister of welfare, will be the minister's alternate, and officers of the departments of External Affairs and of National Health and Welfare will serve as advisers. I am sure hon. members will join with me in wishing our delegation every success in its endeavour.

Mr. M. J. COLDWELL (Rosetown-Biggar): I am very glad the Prime Minister has brought this before the house. I have always felt that despite the difficulties that confront the nations which form the united nations, they should not deter us. When we think that we have been a confederation for eighty years and yet have not achieved complete unity throughout the country, we should not be alarmed at the difficulties which have arisen in connection with the united nations.

I am glad the Prime Minister emphasized the work of the specialized agencies of the economic and social council; for I believe, in spite of the fact that the glare of public opinion is on the security council, the greatest hope for world peace lies in laying the foundation of an economic and social order which will bring justice to all peoples.

WHEAT

ANNOUNCEMENT OF 1947-48 PROGRAMME FOR ONTARIO WINTER WHEAT

Hon. DOUGLAS ABBOTT (Minister of Finance): On behalf of my colleague the Minister of Trade and Commerce (Mr. MacKinnon) who is primarily responsible in the matter of wheat marketing, and in my own capacity as the minister responsible for price control, I wish to advise the house of the government's 1947-48 programme for Ontario winter wheat.

In announcing the 1946-47 policy last July, it was pointed out that the government at that time had in mind an increase in the ceiling price applicable to Ontario wheat, but that, owing to developments in price control last summer, it was necessary to continue the ceiling at $1.26 for the crop year ending June 30, 1947. The position of the Ontario wheat producer, however, was improved by the inclusion of a subsidy of nine cents per bushel and a payment of five cents per bushel at the time of delivery, as a fixed and final payment from the Ontario wheat flour equalization fund. For 1946-47 the Ontario wheat producer, therefore, received the ceiling price of $1.26 per bushel, Montreal basis, plus an additional 14 cents per bushel, bringing the total price up to $1.40 per bushel.

For the crop year beginning July 1, 1947, the government has decided to increase the ceiling price of Ontario wheat to $1.55 per bushel, Montreal basis, bringing it approximately into line with the domestic price at which the wheat board sells western hard wheat. Appropriate adjustments will be made in ceiling prices applicable to products of Ontario winter wheat. With this increase in the ceiling price, a direct subsidy will not be required during the coming year.

In addition to the increased price authorized by the new ceiling of $1.55 per bushel Montreal basis, producers will receive at time of delivery a payment in respect to equalization fees collected on exports of Ontario winter wheat flour. This payment will be eight cents per bushel. The amount of equalization fees collected by the government will vary depending on the difference between $1.55 and prices on world markets, but it is considered desirable, in order to reduce administrative costs and to give a measure of certainty to producers, to fix the producers' payment at a definite figure, representing the estimated total receipts during the year.

In accordance with government policy, steps will be taken to prevent fortuitous profits in respect of stocks of Ontario winter wheat and flour on June 30.

[*Later:*]

Mr. P. E. WRIGHT (Melfort): On the basis of the statement made by the Minister of Finance with regard to the price of Ontario wheat, I wish to direct a question to him. Can he give the amount of Ontario wheat or wheat flour that is exported under the British contract and the amounts exported as No. 2 wheat? If he has not the answer at hand he can take this question as notice and answer later.

Mr. ABBOTT: I shall have to take it as notice and get the information and give it to the hon. gentleman.

REDISTRIBUTION

PETITION AGAINST ENLARGEMENT OF YUKON ELECTORAL DISTRICT TO INCLUDE MACKENZIE

Mr. GEORGE BLACK (Yukon): I wish to present to the Honourable the House of Commons of Canada in parliament assembled the petition of a number of Canadians residing in Yukon, petitioning against the addition of the district of Mackenzie and Northwest territories to the Yukon territory as an electoral district and giving very convincing reasons therefor.

CRIMINAL CODE

ADDITION OF PART DEALING WITH HABITUAL CRIMINALS—VARIOUS AMENDMENTS

Right Hon. J. L. ILSLEY (Minister of Justice) moved for leave to introduce Bill No. 364, to amend the criminal code.

Some hon. MEMBERS: Explain.

Mr. ILSLEY: This bill contains a number of amendments to the criminal code. There are thirty-four sections in it, and it would be difficult to explain the bill on the first reading, since it deals with so many subjects. The various provisions of the bill will speak for themselves. I might mention one important section. It is proposed to add a new part to the criminal code, called part X (A), dealing with habitual criminals. This part has been recommended by the commissioners on uniformity of legislation, and in the main follows United Kingdom legislation on the same subject. The new part will provide for the preventive detention for an indeterminate period of those who, over eighteen years of age, are convicted four times of indictable offences, the first three of which are punishable with at least five years' imprisonment, and who are leading persistently criminal lives.

The preventive detention will not be automatic but will be discretionary with the court. No person will be tried on a charge of being an habitual criminal unless the attorney general of the province in which the accused is to be tried consents. Provision is made for periodic review by the Minister of Justice of the condition, history and circumstances of the person preventively detained, with a view to determining whether he will be placed out on licence, and if so, on what conditions.

While legislation of this kind was recommended by the Archambault commission, the government has no wish to be dogmatic about the necessity for it, and while recommending it, is prepared to give careful consideration to any views which may be expressed by members of the house regarding it.

There are a number of other important provisions but I think they could be explained more properly when I move the second reading of the bill.

Mr. CHURCH: May I ask the Attorney General, first, whether the bill he has introduced includes all the amendments to the criminal code for this session? Second, have the recommendations of the chief constables association, particularly the one regarding voluntary statements, been taken into consideration?

Mr. ILSLEY: The bill contains all the amendments which the government proposes to submit to the house this session. With regard to the second part of the question, I am not sure that I know the recommendations of the chief constables association to which my hon. friend refers. A delegation came to see me a while ago and made certain submissions which I do not think we found ourselves able to accept, for reasons which I gave.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

CANCER RESEARCH

Mr. TIMMINS:

1. What annual expenditures have the Department of National Health and Welfare and the Department of Pensions and National Health contributed to cancer research between the years 1925 and 1945?

2. During the past twenty years what efforts have been made either directly or indirectly by the Department of Pensions and National Health or the Department of National Health and Welfare to encourage any form of scientific research directed towards determining the cause and/or cure of cancer?

Mr. MARTIN:

1. None. Dominion government assistance to medical research is provided through the medical research division of the national research council.

2. None, until the calling of a conference in January 1947 to discuss ways and means of developing a national cancer control programme.

SUGAR

Mr. MOORE:

1. Did the international emergency food control council recently increase the amount of sugar to the United States and Canada under the terms of the international sugar producers' pool?

2. If so, what increase was allotted to the United States?

3. What increase was allotted to Canada?

4. What steps have been taken by the government to increase consumers' quota for this year?

Mr. MAYHEW:

1. Yes.

2. 350,000 short tons.

3. 22,000 short tons.

4. (a) In December 1946 all canned fruits were removed from the list of rationed foods; in March 1947 maple products were derationed; and on June 9, jams, jellies, marmalades and honey were derationed, all without any decrease in the number of coupons available to consumers.

(b) Effective April 1, 1947, the rate of validation of consumer coupons was increased from seven coupons per quarter to eight coupons per quarter (each coupon represents one pound of sugar).

(c) On June 25, 1947, it was announced that an additional three or four coupons would be validated during the remainder of this calendar year.

WOOL

Mr. HATFIELD:

How much wool was there in storage in Canada on the 1st of June, 1947?

Mr. MAYHEW: The wartime prices and trade board has no official information as to the total amount of wool in storage in Canada as of June 1, 1947. Commodity Prices Stabilization Corporation Limited held in storage at that date 72,387 pounds.

EMPLOYMENT SERVICE—KINGSTON—APPLICATIONS AND VACANCIES

Mr. PROBE:

With respect to the National Employment Service, Kingston, Ontario, how many unplaced applications for employment and how many unfilled vacancies were registered on Saturday, June 14, 1947?

Mr. MITCHELL: Unplaced applicants: male, 666; female, 175-841. Unfilled vacancies: male, 183; female, 126-309.

[Mr. Martin.]

EXTERNAL AFFAIRS

RUSSIAN WIFE OF CANADIAN CITIZEN—MRS. GEORGE F. POWER—QUESTION OF EXIT VISA

On the orders of the day:

Mr. R. H. WINTERS (Queens-Lunenburg): I wish to direct a question to the Secretary of State for External Affairs. Further to a question raised recently in the house by the hon. member for Peterborough West (Mr. Fraser), can the minister say if there is now any indication whether the Soviet authorities will without further delay grant Mrs. George Power an exit visa permitting her to be reunited with her husband in Canada?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): The only answer I can give to the hon. member's question is to make to the house a statement of the facts about this matter as they appear to be up to this time. These are the facts.

Mr. George F. Power of the Department of External Affairs was posted to the Canadian embassy in the U.S.S.R. in April, 1943. While in Moscow he met and married Miss Eleanora V. Kuznetsova, a ballerina. His wife is a Soviet citizen. She is also, because of her marriage, a British subject. The marriage was performed by civil contract on February 4, 1945, and was solemnized in a Roman Catholic church a few days later.

Mr. Power left Moscow on July 6, 1945, to return to the Department of External Affairs. Thus Mr. and Mrs. Power lived together for only five months before his return to duty in Ottawa. It was their confident hope at the time that she would join him in this country at an early date. However, nearly two years after Mr. Power's departure, they are still separated for reasons beyond their control.

Mrs. Power applied for a Soviet exit visa in February, 1945, shortly after her marriage. This application was refused in July, 1945. Since then the Canadian embassy in Moscow has approached the Soviet government six times on behalf of Mrs. Power in an effort to secure permission for her to leave the U.S.S.R. However, Mrs. Power has not yet been able to secure an exit visa and no reason has been given by the Soviet authorities for withholding permission for her to rejoin her husband.

The first approach by the Canadian embassy to the Soviet government was made in September, 1945, when Mr. Wilgress, who was then Canadian ambassador in Moscow, discussed the matter orally with Mr. Vyshinsky, Vice-Minister of Foreign Affairs in the U.S.S.R. Mr. Vyshinsky, in explaining the reasons for the delay, said that it was necessary for the Soviet authorities to make a thorough investi-

gation into each application for an exit visa in order to be sure of the bona fides of the marriage before the visa could be granted to the Soviet wife of a foreigner. He added that each such investigation required some time. In March, 1946, Mr. Wilgress wrote to Mr. Vyshinsky. He pointed out that a year had elapsed since Mrs. Power had first made her application for an exit visa and that the investigation must surely have been completed. He requested that the visa be granted without further delay. Two further approaches to the Soviet Ministry of Foreign Affairs were made by the Canadian embassy in 1946, one in July and one in November. These all resulted in the same reply—that a decision by the competent Soviet authorities had not yet been made.

On March 20, 1947, Mr. Wilgress wrote to Mr. Molotov, the Minister for Foreign Affairs. Mr. Wilgress stated that, as he was sincerely desirous that relations between Canada and the U.S.S.R. should be placed on the friendliest possible basis, he trusted that it might now be possible for the Soviet authorities to grant an exit visa to Mrs. Power.

On April 5, 1947, Mr. Wilgress, in a personal conversation with Mr. Molotov, referred to his letter of March 20 and expressed the hope that a favourable decision could be reached before he left Moscow to take up his new post as minister to Switzerland.

In the past, permission has been given on a number of occasions to Soviet women married to British subjects to join their husbands. It is true that by a decree of the praesidium of the Supreme Soviet of the U.S.S.R. of February 15, 1947, marriages between citizens of the U.S.S.R. and foreigners were prohibited. But this cannot affect Mrs. Power's status, as at the time of the marriage in February, 1945, Soviet women were free to marry foreigners.

The Canadian government therefore considers the continued postponement of the grant of an exit visa to Mrs. Power an incomprehensible action on the part of a friendly state. There is no doubt that the marriage was entered into in good faith by both parties, that there is mutual affection, that Mr. Power is able to take good care of his wife, and that if Mrs. Power were permitted to come to Canada she would, as a Canadian citizen, reflect credit both on the country of her adoption and the country of her birth. Mrs. Power's application for a Soviet exit visa is the only outstanding application for the wife of a Canadian. The Canadian government sincerely trusts that, in the interests of friendly relations between our two countries, the Soviet authorities will, without further delay, grant Mrs. Power an exit visa permitting her to be reunited with her husband in Canada.

EMIGRATION

DEPARTURE OF MENNONITES AND HUTTERITES FOR PARAGUAY

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I am not sure whether the Secretary of State for External Affairs received the notice I sent him of the question I am about to ask. Can he make a statement today, or within a day or two, about the emigration of a large number of Canadian Mennonites to Paraguay and the foreshadowed emigration of a large number, some thousands, of Hutterites to the same country?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I will endeavour to obtain all the information that is available in the departments in connection with the matter and give the hon. member an answer.

APPLES

QUESTION OF SHIPMENT TO BRITAIN—POSITION OF TREE FRUITS INDUSTRY

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): Nearly a week ago I directed a question to the Minister of Trade and Commerce with respect to the situation which is developing in the marketing of Canadian apples. The question was raised again two days ago. The minister indicated that he was not sure whether it fell within the jurisdiction of his department, and I understood that he undertook to bring it to the attention of his colleagues and that he would make a statement. May I ask today that the Prime Minister give consideration to that matter. It is simply this. A statement has been issued that the British government will not this year be buying Canadian apples as in the past, and it leaves a serious situation facing the fruit growers. My question was: Has the government considered the matter yet, and has it any statement to make with regard to that problem?

Right Hon. W. L. MACKENZIE KING (Prime Minister): There is no statement to make at the moment, but I hope to have some minister reply to my hon. friend in the course of the next week.

GRAIN

MOVEMENT FROM LAKEHEAD TO MONTREAL—SHIPS AWAITING CARGOES

On the orders of the day:

Mr. D. KING HAZEN (St. John-Albert): I wish to direct a question to the Minister of Transport (Mr. Chevrier) or, in his absence, to some other minister of the crown. Is the amount of grain in the port of Montreal from the lakehead inadequate to supply cargoes to a large number of ships waiting there to load grain? If so, has any action been taken to remedy this situation?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): As acting minister I will make inquiries, but the facts speak for themselves. There are ships waiting for grain. Every effort is being made to expedite the movement of grain from the lakehead to Montreal.

OLD AGE PENSIONS

INCREASES IN AMOUNTS AND INCOME ALLOWANCE REQUIREMENTS—MODIFICATIONS OF ELIGIBILITY

The house resumed from Wednesday, June 25, consideration in committee of Bill No. 339, to amend the Old Age Pensions Act—Mr. Martin—Mr. Macdonald (Brantford City) in the chair.

On section 1—Definitions.

Mr. CHURCH: Would it not be possible now, in view of the fact that for two years, a study has been made of the question by a select committee on Indians and Eskimos, to allow the various acts to be amended in order to give the Indians and Eskimos a pension under this statute notwithstanding the Indian Act?

Mr. MARTIN: Perhaps we could deal with that when we come to section 8, which is the relevant section of the bill.

Mr. CHURCH: I understand that these people are not citizens. My point was whether it would be advisable now, and might effect an economy, if they were declared to be citizens in order to qualify under this act and for treatment in hospitals, and so on. Otherwise there is little hope that anything will be done this session. Will the minister consider it?

Mr. MARTIN: Yes.

Mr. LOW: I should like to say just a word about the means test part of the bill.

Mr. MARTIN: Could we not deal with that when we come to the relevant section?

Mr. LOW: I was going to ask the minister where he would prefer to have me say something about it. It does not matter to me whether it is now or later.

Mr. MARTIN: That would come under section 4, which deals with the income limits.

Mr. LOW: As long as it is understood that I shall have a chance to say something about it, that is all right.

Mr. MARTIN: Quite.

Mr. FLEMING: A substantial revision of the regulations under the old act was recently carried out. Is it proposed that there shall be a revision of these regulations under the new act?

Mr. MARTIN: May we deal with that when we come to section 9? The answer is yes, but that comes under section 9 of the bill.

Mr. CHURCH: The only section I can see in the bill which deals with definitions is section 1; and the explanatory notes explain what the definitions are. Unless my point is raised on section 1, to give Indians and Eskimos something, it is out of order on the other sections. The government has been studying this question for two years. Surely these people are citizens and should be given citizens' rights. They were here two hundred years before the French and the English.

Mr. MARTIN: That could be dealt with under section 5 (8A-a (iv)).

Mr. CHURCH: There is no appropriate section other than section 1.

Mr. KNOWLES: Yes, there is.

Mr. DIEFENBAKER: When was the last occasion on which there was a complete revision of these regulations?

Mr. MARTIN: Last November. They were tabled in this house about a month ago.

Mr. DIEFENBAKER: Is it the intention to make any further changes in those regulations during the next year?

Mr. MARTIN: We shall have to see, in the light of our experience.

Mr. DIEFENBAKER: What changes are contemplated?

Mr. MARTIN: We shall see.

Mr. DIEFENBAKER: Well, Mr. Chairman—

Mr. MARTIN: May I point out to my hon. friend that it comes under section 9. Section 9 deals with the regulations. Section 1 deals only with definitions.

Mr. DIEFENBAKER: I appreciate all that. Of course, Mr. Chairman, we are not going to be told where we shall ask questions. The minister has assumed quite an attitude on this matter, and we are not going to have it. We shall ask questions where questions may properly be asked.

Mr. MARTIN: That is right.

Mr. DIEFENBAKER: The minister's say-so is not going to determine the matter. My attitude towards the minister is always that of showing to him the same consideration that he shows to me.

Mr. MARTIN: Quite.

Mr. DIEFENBAKER: Has the minister considered changing any of the regulations in order to bring them into conformity with the changes which are being made by these amendments? I can well realize that changes will have to be made.

Mr. MARTIN: Some changes.

Mr. DIEFENBAKER: Yes, and they will be made even before the light of experience determines the course to be followed.

Mr. MARTIN: Some changes.

Mr. DIEFENBAKER: They will be determined now. The changes which will be made by the amendments will require changed regulations. Regulations have sometimes been passed which emasculated the statute under which they were made. The statute has virtually been altered to meet the feelings of those charged with its administration.

Mr. JACKMAN: And altered beyond recognition.

Mr. DIEFENBAKER: As the hon. member for Rosedale says, very often the regulations are such that in operation the statute cannot be recognized as the one passed by the house. I should like the minister to indicate what changes are to be made in the regulations in order to bring them into conformity with the amendments which are now before the committee.

Mr. MARTIN: The hon. member is quite right; I cannot tell him when he may speak and when he may not. But as the minister responsible for the bill I think I must point out to you, Mr. Chairman, when a particular section justifies a particular discussion.

Mr. JACKMAN: We ourselves are capable of doing that.

Mr. MARTIN: When we come to section 9 of the bill—

Mr. KNOWLES: Section 8. I am sorry to have to correct the minister.

Mr. DIEFENBAKER: Surely the two hon. gentlemen can get together.

Mr. MARTIN: That is right. Section 8 is the place. At this stage I would point out to the hon. member that these regulations are not made by this government. They are made by the federal authority in conjunction with the provincial authorities. There cannot be regulations made by us alone; the regulations are made by us and the provinces. I will answer the question fully when we come to what I think is the relevant section, unless, Mr. Chairman, you declare otherwise.

Mr. JOHNSTON: I want to say a word about these regulations, though some of the questions I have in mind have been answered already by the minister. In regard to the authorities who are going to make these regulations—

The CHAIRMAN: Order. The minister has suggested that this discussion might take place more appropriately under section 8, which deals directly with the regulations. May I read section 8, which will be the new section 19:

> The governor in council may make regulations, not inconsistent with this act, for carrying out the purposes and provisions of this act, and without limiting the generality of the foregoing may make regulations providing for

It seems to me that is the appropriate section for a discussion of the regulations, and I hope hon. members will agree.

Mr. JOHNSTON: I have every consideration for your explanation, Mr. Chairman, but you will see that section 8 says the governor in council may make regulations not inconsistent with this act, and that is the very thing I want to refer to. A moment ago the minister indicated that these regulations would be made in conjunction with the provinces. I do not intend to go into section 8 in detail, but that section provides that the governor in council shall make the regulations, not the provinces. When we come to section 1—

Mr. MARTIN: On a point of order, my hon. friend is now arguing the matter of the regulations; and with great respect, Mr. Chairman, I suggest you should rule whether this discussion is germane to section 1, the interpretation section, or whether it should await section 8. I submit with great respect that this discussion is out of order, and that we should wait until we reach section 8.

The CHAIRMAN: It does occur to me that the committee should be able to agree on a question like this without the chairman having to make a ruling. There is provision for a discussion such as the hon. member for

Bow River was carrying on, under section 8. No doubt that is the appropriate section under which to discuss the question he was bringing before the committee. I should think we would make more headway if we proceeded strictly according to the rule. I do not want to be too strict; I try not to be, but on a question like this I should hope there would be cooperation between all hon. members and the chairman.

Mr. JOHNSTON: I think you have been very lenient, Mr. Chairman, and I want to express my thanks; but in this section it says "regulations under this act". I am not trying to discuss what the regulations are going to be or should be; I will take for granted what the minister said about the regulations being made in conjunction with the provinces, though I was doubtful on that point when I read section 8. I want to know this. If the government is going to make the regulations, as has been the case in the past, the provinces will be forced to abide by the regulations established by this government under order in council before they ever see those regulations, which makes it almost impossible for the provinces to administer this act at all fairly outside the provisions of the regulations which this bill would impose upon them. Of course that brings in the means test. I do not intend to discuss that now, since we are going to take it up in detail when the proper section comes along, but I do object to these regulations being made by the governor in council.

Mr. DIEFENBAKER: The hon. member said your rulings were lenient, Mr. Chairman, and I am not going to disagree with that remark. But this is the first time any minister has taken the stand that this matter of regulations should not be discussed under the definitions section. I do not know whether the minister has his questions and answers so arranged that he could not answer those questions now. Can he only answer them when we come to the particular section? After all, when we pass—

Mr. MARTIN: I'll take care of myself; you take care of yourself.

Mr. DIEFENBAKER: Well, I want to tell my hon. friend that until yesterday I thought he was an heir apparent, but now he looks to me like an heir self-apparent. I want to get an answer from my hon. friend. Does he want to answer this question now, or can he not answer it now?

Mr. MARTIN: My hon. friend knows the rules better than I do. They are as stated by the chairman. When we come to section 8, I shall be pleased to answer any question that may occur to my hon. friend. I might point out, in regard to the regulations referred to in this section, under the old act wherever "regulation" appeared it read, "regulation means a regulation made under this act." This wording was to be found in the body of the sections. The law officers who helped draft this bill suggested that instead of repeating "regulation means a regulation made under this act" wherever these words appeared, we should simply define the word in the interpretation section, by saying, "'regulation' means a regulation made under this act." To satisfy the law officers, this was put in the interpretation section in paragraph (h).

Mr. HATFIELD: Is there to be any change in the regulation concerning people who live in this country all their lives and who happen to move over to the United States or to some other country for a year or two before becoming seventy years of age, thereby losing a number of years when they return before they can obtain the pension?

The CHAIRMAN: Would the hon. member allow that question to stand also? The minister will take a note of it and give the answer on section 8.

Mr. MARTIN: I shall be very glad to do that.

Mr. LOCKHART: Section 8 says the governor in council may make regulations. A number of regulations have been changed already, in advance of what may be done under section 8. I should like the minister to explain the negotiations that took place in regard to the regulations which already have been changed; and I am not asking anything about what may be done under the new section.

Mr. MARTIN: When we come to section 8, I shall be glad to give that information.

Mr. LOCKHART: That has nothing to do with section 8.

Mr. MARTIN: Yes, it has.

The CHAIRMAN: That question also should be answered under section 8, and I would ask the minister to take note of it.

Mr. JOHNSTON: Just so that there will be no misunderstanding in regard to section 1, paragraph (h), the minister has stated that these regulations will be made in conjunction and cooperation with the provinces. I suggest to him that this definition be changed to read something like this—

Mr. MARTIN: Could we not wait for the proper section?

Mr. JOHNSTON: This has to do with section 1.

Mr. MARTIN: If we are going to roam all over the lot we cannot have an orderly debate. I shall be glad to answer that question when we come to the section which empowers the governor in council to make the regulations.

Mr. JOHNSTON: But it is the interpretation section that I want to amend; that is just my point. I would like to see this section amended in connection with the interpretation of the word "regulation". I think this is the time that should be done, without waiting for section 8, because then we could not revert to section 1. In the light of what the minister has said I think the section should read something like this: "'regulation' means a regulation made in conjunction and cooperation with the provinces." Then there would be no confusion at all in the definition. I suggest to the minister in all seriousness that this change should be made if he is sincere in his intention that these regulations are to be made in conjunction with the provinces.

Mr. MARTIN: I see what my hon. friend has in mind. May I suggest there is another way of doing that, and I shall refer to it in a moment. It is covered by the act. The only purpose of putting in the interpretation section the words "a regulation means a regulation made under this act" is to avoid, as I explained to the hon. member for Lake Centre, a repetition throughout the various sections of the words, "regulation means a regulation made under this act." Covering the point my hon. friend has in mind I would call his attention to section 19 (2) of the present act which provides:

> No regulation by reference to which any agreement with a province has been made shall be altered except with the consent of such province or in accordance with the provisions of the regulations to which it has agreed.

Mr. JOHNSTON: That refers only to a regulation made in conjunction with a province; it does not refer to a general regulation. There may be a regulation made in conjunction with a province that could be changed only, as the minister says, by agreement of that province, but that does not alter the definition of "regulation."

Mr. KNOWLES: On a point of order, I have my own views as to what would be the best and proper procedure at this point, but I shall not add fuel to the fire by stating my opinion. I suggest that if we cannot agree as to what to do with section 1 it would be perhaps better to allow it to stand; then by the time we have gone through the other sections we shall have taken care of these points.

Section stands.

On section 2—Agreement with province re quarterly payments.

Mr. KNOWLES: I should like to refer to paragraph (b) of this section in so far as it amends section 3, subsection 1 of the act. I should like to say a word or two to the minister and invite his comments. It is a little difficult to discuss a section like this when one does not agree with the basic position taken. When I say that, I have in mind the difference of opinion between us. The minister feels that old age pensions should be a joint dominion-provincial responsibility, and I feel that it should be a one hundred per cent federal responsibility. In that connection I support the position taken by the Prime Minister in 1931, particularly on June 2. However, the minister has taken his stand on that and that seems to be the government's position so I shall not argue it. I want to speak, so far as I can, within the terms that are set forth here.

This clause (b) gives to the provinces the right to specify two things: first, the maximum pension and, second, the amount of other income to be allowed to the pensioner up to a maximum. Of course in both cases there is a ceiling created by the effect of section 8 of $50 a month to the single old age pensioner. My quarrel with this section, looking at it on the government's own terms, is, first, that it does not specify a minimum pension, and, second, that the $50 ceiling has the effect of a specific maximum. It seems to me that that is laying a basis for varying pensions, both as to the amount and as to the extent of the means test, across the country. It does seem to me that if the government is going to do it through a joint dominion-provincial responsibility, an effort should be made to achieve some uniformity in the plan. I feel that this section should contain a minimum for the pension, which it does not, and that it should be possible for a province which wants to raise the pension to as high as $40 or $50 a month to lead up to that by permitting other allowable income.

Mr. MARTIN: We could do nothing here which would in any way restrict the power of the provinces, and I know that on reflection my hon. friend would not agree to any suggestion of that sort. While it does not make it right, the provision in this bill is a continuation of the provision in the old act. I am just adding that by way of digression from

the main point. We could not specify what a province must do. I suggest to my hon. friend that I am quite satisfied that no province will lower what it is already paying.

Mr. KNOWLES: Is it not true that when the Old Age Pensions Act was passed in 1927—the one that stuck; the one that got by the Senate—the provinces had to take it, all or nothing? There was not a sliding scale in the original act.

Mr. MARTIN: No, that is not so; there was a maximum pension.

Mr. KNOWLES: Was it possible for a province to come in on a basis of less than $20 per month?

Mr. MARTIN: No, I am advised not.

Mr. KNOWLES: That is my point. We are getting together now on what we were calling each other names about on second reading.

Mr. MARTIN: That was enabling legislation, quite different.

Mr. KNOWLES: I submit that what we have here is enabling legislation. The previous act provided that the government would pay 50 per cent of the amounts the provinces paid out, while this provides that the federal government will pay 75 per cent of the amounts.

Mr. MARTIN: In any event no one could justify restricting the provinces even if it were the right thing to do. We would have no power to do it. We would be charged with trying to centralize everything here in Ottawa. I am sure my hon. friend will see the merit of that.

Mr. KNOWLES: The fact of the matter is that in this parliament we represent Canadians from all the nine provinces and it is our duty to try to protect the rights of Canadian citizens everywhere. I know the minister keeps talking about provincial responsibility in connection with this matter as though it were a social service question, but I see it rather as a matter of right. The thing which I do not like about this subclause is that it makes it possible for a province like—I shall have to name provinces in order to state my point, but in doing so I am not casting any reflections—Quebec or New Brunswick or Prince Edward Island to leave their pensions right where they are, at $25 a month.

Mr. MARTIN: Prince Edward Island has already announced what it is going to do.

Mr. JACKMAN: That gives your party and province a chance.

[Mr. Martin.]

Mr. KNOWLES: I am afraid my hon. friend to my right is playing into the hands of the minister in this game of trying to put responsibility upon the provinces and trying to force them to measure up to what is declared to be their responsibility. The interest which we have to protect is that of Canadian citizens from coast to coast, and we are not protecting it by any plan which seeks to jockey various provinces, or, if you like, the parties in the various provinces to compete with each other as to what shall be done. As much as possible there should be laid down by this federal parliament at least a minimum. That was the whole meat of the discussion which arose out of the Rowell-Sirois commission report. That was the objective of this government as laid down in the proposals made to the dominion-provincial conference, and I do feel that we should press along that line.

Mr. FLEMING: It is hard for anyone sitting in this house to believe that section 2 of this bill could have been written by the same government which brought down proposals to the dominion-provincial conference two years ago, because there is just nothing in common between the two. It will be remembered that the essence of those proposals was that the dominion would assume one hundred per cent responsibility for the payment of a pension without a means test to every person in Canada seventy years of age and over. There were no strings attached; there was no means test, there was no limitation. The dominion was to assume full responsibility and there were no restrictions. We now have a section before us which will continue the means test and a number of other potential restrictions. The government reserves to itself the right to enter into agreements with the provinces specifying the maximum pension which the provinces may pay toward which they will receive contribution from the dominion.

Mr. KNOWLES: It leaves it to the province to specify the maximum.

Mr. FLEMING: Under this section the dominion is reserving the right to be a party to the agreement. It is making it that much more difficult for the provinces to assume the responsibility which the dominion is now trying to cast upon them.

My first and most serious criticism of this bill is that the dominion government is deliberately trying to walk out from under the responsibility that properly rests upon the dominion in respect of pensions to persons seventy years of age and over, a responsibility acknowledged, as I have said before, by

parliament, and a responsibility which this government proclaimed to all Canada two years ago and since that it was prepared to assume. Now we have a complete reversal of that position and we see the dominion entering into agreements with the provinces and tying the hands of the provinces, so that if the provinces want to make changes they have to enter into new agreements with the dominion government within the scope of the pension of $30 a month to which the dominion contributes 75 per cent.

Under paragraph (b) of this section provision is made for inserting in the agreement stipulations in regard to the total of income which may be received by a pensioner. That raises directly the point which I sought to make the other day, and it is this. That strict limitation imposed by the dominion in this act and in the agreements which will be made under it as to the total which a pensioner may receive by way of allowable income is a brake placed by the dominion upon the provinces in the matter of making contributions. It is idle for the minister to say that the provinces can pay as much as they like. That is not so, because if the pensioner has any earned income at all, and if the combined total of dominion pension of $30 and the provincial supplement and the earned income amounts to over $600 a year, where does the reduction take place? Not in the provincial supplement. It comes off the $30 a month to which the dominion is contributing. Therefore you are going to discourage the pensioner from earning income and the province from contributing. It is of no use for the minister to shake his head. He has been shaking his head and wagging his tongue and interrupting everybody throughout this debate, and members have learned by this time to pay little or no attention to what he says. What I am saying, without the slightest fear of contradiction from the minister or from anybody to your right, Mr. Chairman, is that this set-up discourages any pensioner from seeking to earn income on his own behalf, and it discourages the province from contributing supplements, because if the effect of the two combined, together with the pension of $30, is to give the pensioner a total income of over $600 a year, the reduction does not come off the provincial supplement but off the pension to which the dominion is contributing. What encouragement is there in that for the provinces to try to eke out an insufficient pension by granting a supplement? Here is the minister throwing responsibility on the provinces and trying to make a good fellow of himself by raising the total of pension and raising the total of allowable income. But the further you look into it the more hollow the whole scheme appears, the bigger the sham it is shown to be. For the minister to picture this as a measure of social reform just shows how far he has failed to appreciate even the elementary significance of social reform.

Mr. GRANT: Telephone Drew.

Mr. FLEMING: I do not know whether the hon. member who interrupted is capable of carrying on a conversation on the telephone or not. Sometimes I rather doubt it. Now that he has raised that question, and I am obliged for his interruption because I am happy to deal with this question, I say that for the Minister of National Health and Welfare to take any credit to himself—

The CHAIRMAN: Order. If the hon. member is referring to a telephone conversation which the minister mentioned yesterday, the minister withdrew his statement and further discussion on it should not take place.

Mr. FLEMING: I was referring to the telephone conversation just mentioned in an interruption by the hon. member opposite from Prince Edward Island.

The CHAIRMAN: I do not think he made any reference to a telephone conversation.

Mr. FLEMING: Yes. Everybody knows that he was trying to bring in by inference the remark made yesterday by the minister.

The CHAIRMAN: The hon. gentleman explained his position to the house this afternoon, and I think all hon. members know that he did not telephone the premier.

Mr. FLEMING: It may be a matter of opinion. The question has been raised again this afternoon by the interjection of the hon. member opposite. I want to say this. Referring to what the minister said yesterday, his untruthful assertion—

The CHAIRMAN: Order. As I said before, the minister withdrew his statement, and the hon. member should not now refer to it as an untruthful statement. His statement was incorrect and the minister admitted it.

Mr. FLEMING: I was asked a moment ago by the hon. member who interrupted why I did not go and telephone the premier of Ontario.

The CHAIRMAN: The hon. member was not asked a question. There was some interruption about a telephone conversation. I do not think this should go on indefinitely.

Mr. FLEMING: I did not start it. It was the hon. member opposite. Not only were there no telephone conversations of the kind

referred to but there is no occasion for any, because the premier to whom the hon. member referred is quite capable of conducting his affairs and the affairs of the province of Ontario, and if the hon. member who interrupted or any other hon. member opposite thinks that the announcement of the premier of Ontario with respect to increasing the old age pension in Ontario reflects any credit on this government he is hopelessly deluding himself. How could any province take steps except on an interim basis until they knew what this government was going to do? For five months, ever since this session opened, this government has been shouting from the housetops that it was going to increase the old age pension. After five months of keeping everybody in suspense, during which the old age pensioners have been looking for justice, the government brings down this measure. Everybody by this time must know that the dominion government has hopelessly failed to carry out its promise. It is trying to shirk its responsibility. The provinces know now what the dominion government is going to do and how pitifully inadequate it is. They will have to do what the dominion government has failed to do, and what it promised to do, and what it has now shown that it does not intend to do.

Mr. HATFIELD: I would ask the minister why the average in New Brunswick and Prince Edward Island was kept down to $14 or $15 a month while the average in British Columbia and some other provinces was $18 and $19 a month.

Mr. MARTIN: I think my hon. friend has the older figures. I can now give him the average figures. In 1947 Alberta was $24.11; British Columbia, $24.22; Manitoba, $24.53; New Brunswick, $22.68; Nova Scotia, $22.76; Ontario, $24.52—

Mr. HATFIELD: In a great many years before 1944 the average in New Brunswick was around $14 and British Columbia around $18 or $19. Were there different regulations for the different provinces?

Mr. MARTIN: No.

Mr. HATFIELD: I should think so.

Mr. MARTIN: May I continue with the figures? Prince Edward Island, $19.36; Quebec, $24.01.

Mr. JOHNSTON: Is that the average?

Mr. MARTIN: Yes. Saskatchewan, $24.37; Northwest Territories, $24.69.

Mr. JOHNSTON: I wish to refer to paragraph (b) of subsection 1 of section 3. The paragraph reads:

[Mr. Fleming.]

Subject to sections eight and eight A of this act, in every agreement made pursuant to this subsection the province shall specify the maximum pension to be paid by the province and shall provide for the reduction of such maximum pension by the amount of any income received by a pensioner in excess of an amount of income to be specified in such agreement.

I fear, Mr. Chairman, that we are going to run into the same difficulty when this act comes into operation as we had a few years ago when several provinces endeavoured to raise the pension which was then stipulated at $20 a month. It will be recalled that some of the provinces at that time were desirous of increasing the pension from $20 to $25. A discussion arose between the provinces and the federal government as to whether or not these provinces would be permitted to increase the pension under the regulations laid down by the federal government. Some provinces did increase the pension regardless of that, and a battle ensued on whether these pensions would be reduced by the federal government. The federal government did accede to the desire and allowed the pension to go up to $25 a month. That was not done according to the regulations but by agreement with the federal government, and the provinces did increase their pension. Immediately some of the provinces raised the amount of pension to $30 because they realized that with the increased cost of living the pensioners could not exist on the amount of pension then paid; but again they were subject to the regulations and the pensioner was put in the position where at least the share of his pension which was being paid by the federal government would be reduced according to the amount that it was increased by the province.

Today we have the situation that a province may set the maximum pension paid; so long as that maximum is less than the $30 a month the federal government will pay seventy-five per cent of it. But the moment that the provinces desire to go above the total income of $50, including the pension and the earned income, the federal government will again cut their share of the contribution by the amount that the total exceeds the pension plus the income. That will put the pensioners in exactly the position that they were in years ago. In fact it prohibits any province from giving more than $50 a month. When I say $50 a month I mean $30 contributed by the province and the federal government plus the income which the pensioner is allowed, which makes a total of $50 a month. The moment that a province desires to give the pensioner another $5 the federal government can apply the regulations again and their share of the

seventy-five per cent of the $30 will be reduced accordingly. If a province recognizes the fact that because of the increased cost of living, which is soaring day after day, an old age pensioner cannot have a decent standard of living on the amount alloted, and if it desires to raise that amount, then the federal government can invoke a section of the act—not a regulation, because it will now be in the act—and reduce the amount of their contribution to the province. We should try to get away from the situation which faced the provinces a few years ago under the old regulations. I suggest to the minister that they permit the province at least—because it will not cost the federal government any more; it will be nothing out of the federal government's pocket—to pay as large a pension as they desire without the federal government reducing its seventy-five per cent of the $30. That would not be asking the federal government to do anything; it would not be losing anything, but the provinces could increase the pension to the amount they desired.

Mr. REID: A few minutes ago the minister gave the amounts paid in the various provinces. I am not going to raise the question of one province against another, but I have always wondered, when averages were given, whether it was really a fair picture that was being given to the House of Commons and to the people of the country. It will be seen that one province may have a high average and yet a greater proportion of its people may be getting less money. Let us take the hypothetical case of ten persons getting $10 a month and five persons getting $20 a month. The average of that would be a little over $13. If you reverse the figures and have five people getting $10 a month and ten people getting $20 the average would be $16.50. When average figures have been given I have always wondered whether we were getting the true picture as to the number of people who were getting the higher amount. I have always claimed that British Columbia has the higher number getting the higher pension. I may be wrong. I shall be interested to see a break-down. I am going to ask the minister now if what I have said is correct.

Mr. MARTIN: My hon. friend has referred to a very important point. British Columbia, of course, is very high in amount.

Mr. REID: There is the fact. The minister admits that the averages are not a true guide at all, and we are not getting the real picture before the people.

Mr. JACKMAN: I should like to ask the minister for an explanation of how paragraph (b) of section 3 works. For example, if a pensioner has independent means of two or three hundred dollars, how does that affect the contributions of the province? Let us take Ontario as an example and the contribution of the dominion, because some of the arguments we have had recently—

Mr. MARTIN: Is the $300 income or assets?

Mr. JACKMAN: Income. Let us make the income a smaller figure. Let us take $100 of outside actual income. How does that affect the payments of Ontario and the dominion under the new $40 payment of Ontario?

Mr. MARTIN: It does not affect it at all.

Mr. JACKMAN: Let us make the amount a little larger, because $100 would not affect it. Three hundred dollars would, because the maximum is $480 a year. If the amount of outside income is $200 will the minister explain to the committee exactly how the provincial contribution is cut down by reason of the outside income, and how the federal contribution is cut down for the same reason?

Mr. MARTIN: It is cut down in the ratio of 75 per cent and 25 per cent. The federal contribution is 75 per cent of the basic pension. In other words a single person under the amending bill could receive a pension of $360 plus $240. That is to say the individual would have a pension together with the amount of the maximum allowable outside income which total would be $600. That, of course, would differ in the case of married persons and would differ again in the case of married persons married to blind persons, but that comes under section 4.

Mr. JACKMAN: Let us keep it to the single person. Under the contributions before the increase the province paid 33 per cent in Ontario and the dominion 66 per cent. If there was an overage because of independent income, did the provinces get a remission of 33 per cent of the cost and the dominion 66 per cent? Because these percentages have now changed since the minister's action and the action of the premier of Ontario, so that Ontario pays 43·75 per cent of the $40 and the dominion only 56·25. The varying contributions are entirely different from what they were.

Mr. MARTIN: I could not follow that.

Mr. JACKMAN: May I please go on with this?—because it is vital to an understanding of what happens. Previously the province paid 33 per cent of the contribution in Ontario—

Mr. MARTIN: No; it was 25 per cent.

Mr. CRUICKSHANK: That did not include telephone calls.

Mr. JACKMAN: The monthly payment in Ontario was not $25, but $28.

Mr. MARTIN: The $3 is a supplement, and that $3 is exempt in the calculation of income.

Mr. JACKMAN: That is what I am getting at. Is the $10 now paid in Ontario as a supplement apart from any calculation as to how much shall come back because of outside income?

Mr. MARTIN: It all depends on whether Ontario proposes to pay the extra $10 as part of its pension under the agreement, or as a supplement, and from the announcement they made I am not sure what their intention in that regard is.

Mr. JACKMAN: You do not know what this agreement means, then.

Mr. MARTIN: We have to sign an agreement pursuant to this act after we deal with it here.

Mr. JACKMAN: It makes a great difference whether or not the dominion recognizes the $10 supplement as part of the total pension and the province entitled to 43·75 per cent of any retractable amount they would get because of outside income. I think the minister understands the question well.

Mr. MARTIN: I hate to anticipate, but if the hon. member will look at section 16(c) of the regulations he will see what I mean. We shall have to wait until that is reached.

Mr. SHAW: A moment ago the member for Bow River made reference to supplementary payments made by the provinces during the past year and the difficulties which those provinces encountered in securing the permission of the federal government not to regard those supplementary payments as income. I concur wholly in the observations of the hon. member and I would ask the minister why the federal government is not prepared at the present time to indicate that, should a province desire to make supplementary payments, such supplementary payments, should they bring the maximum income above that contemplated in the act, will not be penalized in consequence. The minister has stated time and again that this is a provincial responsibility. I suggest to him that if that is so he declare in the house now and take appropriate action with respect to amending this bill to guarantee that, should the province make a supplementary payment bringing the total above $600 in case of a single man, the federal contribution will not be reduced.

[Mr. Martin.]

The member for New Westminster criticized the statistics setting forth average payments by the provinces. I agree with him for a second reason. These averages ignore the fact that some provinces are today granting hospital, medical, dental and other services completely free of cost to the recipients of old age pensions. I think we can ignore the averages if we wish to see the problem in its true light. Will the minister comment on that?

Mr. MARTIN: I will deal first with my hon. friend's question, which is also the point raised by the hon. member for Rosedale. New regulation 16 (c) reads:

> In determining the income of any pensioner for the purpose of the act, the pension authority shall take into account the amount or value of all income and contributions, whether in cash or in kind, received by the pensioner, other than
> (c) cost of living allowances or supplemental allowances paid by any province to persons in receipt of pensions under the act.

Mr. MacINNIS: I was wondering whether we would not make better progress if we allowed sections 2 and 3 to stand and dealt with section 4, which seems to be the operative section of the act. We could take sections 4 and 5. If we could dispose of 4 and 5 I think the provisions of the other sections would fall into place. As we are proceeding now, we are bringing in all kinds of unrelated matters. I offer this as a suggestion that might make for progress.

Mr. MARTIN: I think the suggestion is worth nothing. Perhaps we could pass section 3, which is purely formal, and, as the hon. member suggests, allow section 2 to stand.

Mr. JACKMAN: I am very much interested in the question I asked the minister. I asked him if he had the regulations.

Mr. MARTIN: Did not my hon. friend hear me read the regulation a moment ago? I have not an extra copy.

Mr. JACKMAN: Does the minister know whether the $40 paid by Ontario will be in the form of $30 plus an allowance or whether it will be in the form of pension entirely?

Mr. MARTIN: I do not know whether it will be by way of an addition to the pension, as pension, or a supplement. If it is a supplement it comes within 16(c), which I have read.

Mr. JOHNSTON: Would that include medical services which the provinces supply?

Mr. MARTIN: That is not regarded as income. The section is explicit, "in cash or in kind received by the pensioner."

Mr. CHURCH: Mr. Chairman, there are a few remarks I should like to make with regard to the blind. We have had a great deal of difficulty in our city where we have a splendid institute for the blind and also have to have a tag day. Could they not be allowed an attendant?

The CHAIRMAN: Order. Do I understand that section 2 stands?

Mr. MACKENZIE: Yes.

Section 2 stands.

On section 3—Payments to provinces on certificate of minister.

The CHAIRMAN: Shall the section carry?

Mr. FLEMING: I want to deal with the point raised by the minister regarding regulation 16(c).

The CHAIRMAN: May we be clear on procedure? Section 2 stands. Shall section 3 carry?

Section agreed to.

On section 4—Amount of dominion contribution and persons pensionable.

Mr. FLEMING: As the act stood prior to the introduction of the bill, undoubtedly 16(c) was clear in providing that if the province did make any supplementary payment it was not to be computed as part of income when the pensioner was under the limitations then existing of a total income of $425 a year. I suggest to the minister that his argument does not apply in the terms of the bill. If he is simply relying on regulation 16(c) to preserve the right of a pensioner to receive his provincial supplement, whatever that may be, without that being applied against his permissible income of $600 a year, I suggest that he is opening the way—Mr. Chairman, I should like to have the minister's attention, if possible—to an interpretation of the act and the regulations which will have the very opposite result. The act does not say what the minister is saying. The act talks about deductions in case of the pension. There is no definition in the act, and we have not anything in this act to provide that the terms of regulation 16(c) shall be imported into the new bill. The minister has indicated, I take it, an intention that regulation 16(c) shall be deemed to apply to the permissible income under the new bill. I am pointing out that at the present time the bill does not make any such provision. I say that the two things are in contradiction. If the minister wants regulation 16(c) to be applied, I suggest that the terms of these sections must be amended accordingly. There should be a clear provision that these provincial supplements are not to be counted in the limit of allowable income.

Mr. KNOWLES: This is the principal section of the bill, except for section 5, which makes similar arrangements for the blind. One of the first provisions of this section is for a pension of $30 monthly, so far as the federal government's contribution to the pension is concerned. As the minister knows, the inadequacy of $30 a month has been one of the main questions under discussion since this debate started. The feeling of many of us is that the amount should be higher, not by calling upon the province to supplement it, but by making available a larger amount from the federal treasury.

It is my intention, Mr. Chairman, to do something which I know is rather unusual in the proceedings of the committee of the whole, but it arises out of the unusual way in which this measure was first presented to the house. I wish to make clear at the outset what I intend to do, and then get ready to answer the arguments against it. I propose to move that section 4 be amended by deleting the words "thirty dollars" from line 20, and substituting therefor the words "fifty dollars".

Mr. MACKENZIE: It cannot be done.

An hon. MEMBER: Why not pay $200?

Mr. KNOWLES: I hear immediate interjections from the opposite side to the effect that it cannot be done. I suggest that hon. members should not treat this lightly. The content of my amendment is a serious matter, as is my contention with regard to the rules of the house. I am not at all surprised that hon. members immediately think I am trying to do something which is against the rules. But I ask you, Mr. Chairman, to follow me as I draw your attention to citations in Beauchesne, third edition. I firmly believe that because of the wording of the resolution which preceded the bill, this committee is in the unusual position of having the right to increase the amount of money provided in this section.

The usual procedure with respect to a resolution preceding a bill is that it shall state the maximum amount of money to be provided by the bill. The rules state that care should be taken to see that this is done. As one looks over past history he finds that it has been done in the vast majority of cases. In fact I cannot find an instance in which it has not been done, except this particular one. For example, when old age pensions were first introduced in 1926 by Hon. J. H. King, who was then acting minister of labour, the

resolution preceding the bill, as found in *Hansard* for March 26, 1926, at page 1937, gave the full details of the old age pension plan and stipulated the maximum amount. Similarly, when family allowances were introduced in this house on June 22, 1944, the resolution preceding the bill, to be found at page 4052 of *Hansard* of that year, gave all the details, including the maximum amounts to be paid to children of various ages. The same is true of the War Service Grants Act of 1944. The same is true of other money bills which we have had before us this session In all cases except this one, the resolution preceding the bill stipulated the maximum amount of money which was to be provided under that bill. But in this case the Minister of National Health and Welfare, when he introduced the resolution which was passed on June 17, as recorded at page 4233 of *Hansard,* worded that resolution as follows:

That it is expedient to introduce a measure to amend the Old Age Pensions Act which will enlarge the scope of the act by providing increases in the pension payable and the income allowable to pensioners and by modifying certain of the eligibility requirements for pension.

Using language which you will recognize in Beauchesne in a moment, I draw your attention, sir, to the fact that that resolution was framed in general terms and did not specify a maximum amount. If you, Mr. Chairman, and hon. members will turn to Beauchesne, third edition, pages 168 and 169, you will find citation 439. I will not read the whole of it because the first part is introductory. The last two sentences are the ones which count. The second last sentence is the one with which we are all familiar. It reads:

The constitutional principle which vests in the crown the sole responsibility of incurring national expenditure forbids an increase by the Commons of a sum demanded on behalf of the crown for the service of the state.

But note the next sentence:

This principle, however, is apparently disregarded when the recommendation of the crown is given to a resolution empowering the expenditure of public money which, framed in general terms, places no limitation on the amount of expenditure to be authorized by the resolution.

That is what we have in this case.

Mr. MACKENZIE: That is not right.

Mr. KNOWLES: The resolution introduced by the minister, although it was stated to have the royal recommendation, did not state the maximum amount, as did all these other resolutions I have referred to. You will find in another citation, for example No. 440 on the same page, these words, which are the crux of the citation.

[Mr. Knowles.]

Amendments will only be in order if they fall within the terms of the resolution.

I submit that because of the way this resolution was introduced, framed in general terms, with no maximum placed upon it, my amendment is in order because it is within the terms of the resolution that had the royal recommendation. Lest anyone think I have tried to read too much into the citations I have already drawn to your attention, I ask that you turn to citation 445 on the next page. Here it is, in concrete language:

It may happen that the resolution—

That is the resolution preceding the bill, which the minister introduced—

—sanctions some expenditure without fixing the maximum amount to be spent.

That describes this resolution exactly.

If, for instance, the resolution recommends that adequate salaries be paid a newly constituted body and the amounts of the salaries are fixed in the bill based on that resolution, the committee on the bill—

That is what we are now, the committee on a bill in which maximum amounts have been fixed, but which was preceded by a resolution framed in general terms, placing no maximum.

—the committee on the bill has the right to increase those amounts, because, in doing so, it does not go beyond the scope of the royal recommendation.

Mr. GOLDING: The crown has to take that responsibility, after all.

Mr. KNOWLES: No, the responsibility of the crown relates to the resolution preceding the bill, not to the bill itself. I must confess it seems to me that an error was made on the part of the government when the resolution was drafted, in that they did not follow the procedure, which incidentally they are told they should follow in one of those citations to which I referred but which I did not read in full. Part of citation 439 reads:

—care must be taken that the terms used are sufficiently wide to cover the whole of the bill which will be subsequently introduced.

This resolution did not reveal that sufficient care had been taken. One of these resolutions referred to in the various citations I have mentioned, particularly No. 445, which sanctions an expenditure without fixing a maximum, is stated in general terms; therefore the committee on the bill—it cannot be done on second reading—has the right to increase those amounts because in doing so it does not go beyond the scope of the royal recommendation.

Mr. GOLDING: Only by a minister of the crown.

Mr. KNOWLES: I shall be glad to listen, when I am through, if the hon. gentleman can point out where that is stated. I contend there is no rule which says only a minister of the crown can move such an amendment. Only a minister of the crown can report to the house the royal recommendation associated with the resolution. That is true; that is here, but that was done. The resolution was introduced by the Minister of National Health and Welfare, and as a privy councillor he announced the royal recommendation.

Now, Mr. Chairman, may I point out further that I am not reading things into these citations without some authority. The very citations to which I have referred already have been used as the basis for a decision taken during the course of this session. Back on Friday, May 16, the hon. member for Rosetown-Biggar, the leader of this group, tabled a petition in this House of Commons asking among other things for an old age pension of $50 a month. On Monday, May 19, the Clerk of the House laid upon the table the forty-second report of the clerk of petitions, dealing with that very petition. According to the report of the Clerk of the House, obviously the clerk of petitions had to examine that petition closely. He found, undoubtedly, that it prayed for a grant of money; and if you will again refer to Beauchesne, this time to citation 608, which follows the rules having to do with petitions, you will find this:

> The house will refuse to receive any petition that directly asks for a grant of money out of the public revenues, unless such grant has first been recommended by the crown.

I will say, by way of confession, that we would not have been completely surprised had our petition been ruled out of order by virtue of the first few words of citation 608, because as a matter of fact that petition did ask for such a grant. But the report laid on the table by the clerk, after setting out the petition, says:

> Although this petition prays for an increase in old age pensions, I submit—

This is the clerk of petitions speaking and this is the report laid on the table of the house by the Clerk of the House.

> —that the governor general having already recommended that the scope of the Old Age Pensions Act be amended to increase the amounts to be paid, the constitutional rule that petitions asking for an expenditure of public money are irregular does not apply in this case.
>
> I find that all the requirements of standing order 68 have been complied with.

There, Mr. Chairman, is an interpretation already made, laid before this house and accepted by this house, on a request for an increase in the amount of pension to $50 a month. Despite citation 608 that petition was approved and accepted, because there was then on the order paper a resolution framed in general terms asking for an increase in the pension, which resolution had the royal recommendation. I will admit that the situation is unusual, and I am not amazed at hon. members being a bit surprised when I make such a motion.

Mr. MARTIN: We are not surprised.

Mr. KNOWLES: I ask hon. members to take this matter seriously from two points of view, both from the standpoint of the amendment itself, which asks for an increase in the pension, and also from the standpoint of the rights of members of this house. I agree that rules should be respected and carried out, but I submit that not only the prohibitive rules but also the permissive rules should be carried out when they are there. Here are rules which clearly say that where a minister introducing a resolution preceding a money bill frames it in general terms, the committee on the bill has the right to increase the amount, because by so doing it does not go beyond the scope of the royal recommendation. So I express my thanks to the minister in that, whether by design or inadvertently, he introduced the motion in the terms that were used. I thank him for that, because it now gives this parliament the right in committee, where no question of the life of the government is at stake, to do something I know parliament wants to do for the old people of this country. Acceptance of my amendment does not mean the government is rejected. This does not go against anything the government does not want to do. The government wants to increase the old age pension; it obtained the royal recommendation to raise the amount, and left it in general terms; and in so doing, in effect they left it up to the committee on the bill to decide what that amount should be. So as I have already indicated, Mr. Chairman, I move:

> That section 4 be amended by deleting the words "thirty dollars" from line 20 and substituting in lieu thereof the words "fifty dollars."

Mr. MACKENZIE: The hon. member for Winnipeg North Centre made a very clever political speech.

Mr. KNOWLES: Now, Mr. Chairman, unless the minister means by that the essence of statesmanship I suggest that it should be withdrawn.

Mr. MACKENZIE: There is nothing to be withdrawn in that statement because it is quite parliamentary. I am going to prove to my hon. friend and to this committee that while his arguments have been speciously

clever, they are atrociously wrong. The amount fixed in a bill for expenditure cannot be increased by the house. If the amount is not mentioned in the resolution, it may be increased—this is the main part of what my hon. friend said—when the resolution is in committee of the whole, but after the resolution has been reported, if the amount is fixed in the bill neither the house nor the committee have the right to move an increase.

An hon. MEMBER: What is your authority?

Mr. MACKENZIE: I am just giving the simple rules of parliament.

Mr. KNOWLES: The minister must quote the citation.

Mr. REID: This is not surprising; they knew this would arise.

Mr. NICHOLSON: Give your authority.

Mr. MACKENZIE: The resolution which preceded the introduction of Bill No. 339 states:

That it is expedient to introduce a measure to amend the Old Age Pensions Act which will enlarge the scope of the act—

As my hon. friend stated in his remarks.

Mr. JOHNSTON: What are you reading from?

Mr. MACKENZIE: I am reading my own opinion—

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE: —which is far more intelligent than you could ever conceive.

—by providing increases in the pension payable and the income allowable to pensioners—

As was stated so fairly by my hon. friend.

An hon. MEMBER: What is your authority?

Mr. MACKENZIE: The committee of the whole has considered that resolution and has adopted it without fixing any figure for increases. Let the committee understand that.

Mr. KNOWLES: It did not fix any maximum either.

Mr. MACKENZIE: We are now considering a bill which provides that the amount to be contributed will not exceed—let the committee listen to this—"seventy-five per centum of thirty dollars monthly or of the amount paid by such province monthly, whichever is the lesser, for pension to each such person". That is the bill before the committee at the present time; it is not the resolution, but the bill.

Mr. JOHNSTON: I suggest to the minister that those are Mackenzie's rules and not Beauchesne's.

[Mr. Mackenzie.]

Mr. MACKENZIE: I suggest to my hon. friend that he stop yapping.

An hon. MEMBER: You can't take it.

Mr. MACKENZIE: I can take more than you can take any time or anywhere, either inside or outside this house. No amendment increasing that amount can now be moved. If any hon. member thought that the amount ought to be determined he should have done that when the resolution was before the committee. It is too late now to make any change in the amount specified in the bill. In my opinion the amendment is completely out of order. In conclusion I read section 4 of the bill, in which you will find the following clause:

Pursuant to an agreement made with a province under section three of this act, the government of Canada will contribute in respect of each person in receipt of pension from such province an amount not to exceed 75 per centum of $30 monthly or of the amount paid by such province monthly, whichever is the lesser, for pension to each such person.

Mr. JOHNSTON: The minister has not stated a single authority to back up his case.

Mr. MACKENZIE: I want to tell my hon. friend that I am quoting the proper rules and practice and procedure of this parliament. It is absolutely out of order on a bill such as this. I am as friendly to increases in old age pensions as is the hon. member for Winnipeg North Centre, and I have been all my life. I fought for them in England when I was a boy of eighteen, and I voted for the Lloyd George pension bill in 1911. I have been fighting for them all my life. I have been quoting the essential rules of procedure of parliament.

Mr. KNOWLES: I appreciate the minister's consideration of this matter. In reply to the interjection which I think was made by the hon. member for New Westminster to the effect that this was known around the corridors—

Mr. REID: I did, sir.

Mr. KNOWLES: I want to say that I let it be known to at least one official of this house because I felt it was an important matter and it would be desirable for those who would be dealing with it to have an opportunity to study the rules and be prepared to deal properly with the matter. There was nothing out of the way in the point referred to by the hon. member for New Westminster.

Mr. REID: I did interject that remark. I heard that there was going to be an amendment to the old age pensions bill by some

member of the C.C.F., but they reckoned it would be ruled out of order. They were prepared to have a vote on it.

Mr. KNOWLES: That is not correct at all. This matter is important, not only to the old age pensioners but to parliament itself. I listened closely to the remarks of the Minister of Veterans Affairs and I did not notice that he quoted directly any citation from the rules of this house. The minister said he was giving what he believed to be the procedure, but I quoted chapter and verse repeatedly in support of my contention. The minister expressed the opinion that this might have been done in committee on the resolution, but I would call to his attention citation 445 of Beauchesne's third edition, which I read before. By the way the words "on the bill" are in italics, emphasizing that it has to be done in committee on the bill. Let me read citation 445 again:

> It may happen that the resolution sanctions some expenditure without fixing the maximum amount to be spent.

That is what the resolution did, the resolution that was introduced and passed by committee of the whole.

> If, for instance, the resolution recommends that adequate salaries be paid a newly constituted body and the amounts of the salaries are fixed in the bill based on that resolution,—

The amount of pension is fixed in this bill. I ask the committee to note the rest of this sentence.

> —the committee *on the bill* has the right to increase those amounts,—

It will be noted the words *on the bill* are in italics. The place where it has to be done is in committee.

> —because, in doing so, it does not go beyond the scope of the royal recommendation.

I submit that the case is airtight. It would not have been possible had the minister in introducing the resolution fixed the maximum amount as was done in several other cases, but in this case it is. I think this committee should take advantage of this opportunity to do a service to the old age pensioners by asserting our rights as members of the House of Commons, bearing in mind that this would be doing only what the government wants to do a little bit further on. It would not be a vote of confidence in the government; it will not cost the government its position in power, but it does give us a chance to do what we have wanted to do for years, vote in this parliament as members on the question of how much our old age pensioners should receive.

Mr. MacINNIS: The heat with which the Minister of Veterans Affairs got up to speak against this amendment is a clear indication of the weakness of his case. Instead of quoting as he almost invariably does, the authorities to support him, he did not do so because there were none.

Mr. MACKENZIE: The practice of five hundred years will support him.

Mr. MacINNIS: Whether the practice of five hundred years is embodied in Beauchesne's Parliamentary Rules and Forms I do not know. But I want to make this point. The Minister of Veterans Affairs says we should have moved our amendment on the resolution. Obviously we could not move our amendment on the resolution because we did not know then what amount of pension the minister was going to propose, and it would have been presumptuous for members in this part of the house to anticipate the minister by proposing an amendment to the resolution. It just could not be done. Accordingly we moved our amendment at the only place where it could be moved and be in order. I suggest to the Minister of Veterans Affairs that this is not a matter of politics or a matter of anything else except a clear interpretation of the rules of this house. We should have an expression of opinion on whether the members of this house believe that old age pensioners should receive $50 a month or $30 a month. The rules clearly give us the right to move the amendment, and I suggest that we take a vote on it.

Mr. DIEFENBAKER: Ordinarily the minister, being acquainted with the rules, produces authorities to support his contentions. On every occasion in the past on which he has made an argument, he has, lawyer-like, produced his authority. Today, however, instead of producing an authority from the rules—and there are many hundreds of them—the only authority produced by the minister, as he quite frankly admitted, was his own opinion which he read. He did not deal with rule 445. If that rule means anything, and it is to be noted that the author put certain words in italics, it does support the contention of the hon. member for Winnipeg North Centre.

Mr. MACKENZIE: May I say that it was my own opinion after consultation with the legal officers.

Mr. DIEFENBAKER: After all it is not a question of what the legal officers think. So often the minister has said: We in this house follow the rules made by this house or applicable to this house. But, sir, I point this out to you, that either rule 445 means what it says,

accentuating as it does certain words, or it is meaningless. I read that rule once more:

It may happen that the resolution sanctions some expenditure without fixing the maximum amount to be spent.

That is the situation here. The resolution provided generally for an increase in the old age pension without in any way stipulating the amount. It was therefore impossible on the resolution for any such amendment to be made as the hon. member has moved today, because no one then knew what the amount proposed would be. The learned author goes on to point this out:

If, for instance, the resolution recommends that adequate salaries be paid a newly constituted body and the amounts of the salaries are fixed in the bill based on that resolution—

The resolution provided generally for an amount but did not fix the amount. The bill fixes the amount. So up to that point the rule is on all fours with the situation now before Your Honour. Now come these pertinent words:

—the committee *on the bill*—

Those last three words are italicized:

—the committee *on the bill* has the right to increase those amounts, because, in doing so, it does not go beyond the scope of the royal recommendation.

Mr. MACKENZIE: That is not the rule, though. It is a marginal note.

Mr. DIEFENBAKER: This is not a rule today, but these have always been rules in the past, and that indicates how far we are being asked today to depart from what actually are the provisions governing parliament. Sir, I suggest to you that as rule 445 supports entirely the contention of the hon. member for Winnipeg North Centre, any decision in support of what the minister has suggested would not be in keeping with the rules, in fact would be contrary to section 445.

Mr. LOW: I have listened with great interest to the case made by the hon. member for Winnipeg North Centre; also to the arguments that have been advanced by the minister and others who have spoken. I was impressed by the logic and the citations given by the hon. member for Winnipeg North Centre. I am satisfied that he did sustain his case, and further, that citation 445 does uphold his contention and does make the amendment completely in order. I was not impressed at all by the arguments advanced —or at least the statements made—by the Minister of Veterans Affairs, because he did not make any citation. Therefore I must support the contention of the hon. member for Winnipeg North Centre.

[Mr. Diefenbaker.]

Mr. BRACKEN: It is apparent that this house is facing a very unusual situation with respect to procedure in dealing with what is generally known as a money bill. There is no question that the intent of our rules is that no private member can propose an increase in government expenditures or a decrease in government revenues in the normal course of procedure. I have listened as attentively as I could to the hon. member for Winnipeg North Centre. Apparently there has been a departure from the normal procedure in this house by the minister in introducing this bill. I listened to the Minister of Veterans Affairs in his defence of the normal procedure and I heard nothing except his own opinion. As to the present procedure I listened to the hon. member for Winnipeg North Centre and to his very logical presentation. I think it impressed most members of the house. I suggest, Mr. Chairman, that in making your decision you state very carefully the rules which determine your course if you declare this amendment out of order, or in the alternative that somebody else on the government side get up and make clear that the course the government is following is within the rules. Otherwise if you rule this amendment out of order I shall be prepared to support those who may oppose your decision. I am speaking now, not on the question of $50 a month for the old age pensioners, but solely and wholly on the question of the present procedure. I want a defence by the government, or by the chairman, of the procedure followed by the government, because so far as I am concerned up to now the merit of this debate goes to the hon. member for Winnipeg North Centre.

The CHAIRMAN: The amendment which has been moved by the hon. member for Winnipeg North Centre raises a question which your chairman has never had to face before. It is generally known that any increase in expenditure must be recommended by a minister of the crown. May I read from Bourinot's Parliamentary Procedure at page 524:

The committee on the bill cannot increase duties without a previous resolution of the committee; but it may reduce them in accordance with the settled principle that gives every facility to the removal of public burthens.

That principle has always been observed and respected in the house. In this case the bill was preceded by a resolution in which no definite amount was stated. It is my opinion—and I believe the hon. member for Winnipeg North Centre referred to it—that the citation in Beauchesne's Parliamentary Rules and Forms, third edition, that it would have been in order for the committee of the

whole on the resolution to fix the amount at that time. The committee did not do so. The government has now fixed the amount. I take it that by accepting the resolution the committee and the house left it to the government to fix the amount.

Some hon. MEMBERS: No.

The CHAIRMAN: Order. The government has fixed the amount. It is now proposed by this amendment to increase that amount. The only reference made which gives me any trouble is citation 445 of Beauchesne's Parliamentary Rules and Forms, third edition, which was quoted by the hon. member for Winnipeg North Centre, and I am frank to admit that it does give me considerable concern. I would refer to the fact that it is the opinion of the author of this book, a man who is very highly regarded not only in this house but throughout Canada as an authority on parliamentary procedure. I have always relied on the principle that a motion to increase expenditure must be proposed by a minister of the crown. Upon re-reading the reference I see that it refers to salaries; it deals entirely with salaries. The bill now before the committee deals with the imposition of an allowance which will create a substantial tax burden on the taxpayers of the country.

I have no hesitation in saying that it is with considerable difficulty I have been able to make up my mind. No precedent has been cited other than the reference by the distinguished author of this book, and as I say, it does not refer to such wide-sweeping legislation as is envisaged by this bill. For these reasons I must rule the amendment out of order.

Mr. KNOWLES: Mr. Chairman, with great respect, as you, sir, will realize, I have no option but to appeal your decision to the house. In the report that you make to the Speaker I would ask, sir, that you indicate that it was felt by those who sponsored this amendment that it was in order because it was within the scope of the royal recommendation.

The CHAIRMAN: Hon. members will understand that the appeal is to the house.

Mr. MACKENZIE: My hon. friend made an intervention to explain his attitude. I should also like to make one. I want you, sir, in your report to explain that in my opinion if this amendment passes it will kill the bill.

Mr. KNOWLES: Try to explain that to the country.

Mr. WRIGHT: Let us go to the country on it.

Mr. Speaker resumed the chair, and the chairman of the committee made the following report:

When Bill No. 339 was under consideration in committee of the whole, Mr. Knowles moved that section 4 be amended by deleting the words "thirty dollars" from line 20 and substituting instead the words "fifty dollars." The chairman ruled the amendment out of order on the ground that the amendment would increase the amount fixed in the bill and this could not be done except with the consent of the crown. From the chairman's decision Mr. Knowles appeals.

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:

Abbott
Arsenault
Beaudoin
Beaudry
Belzile
Benidickson
Bertrand (Laurier)
Bertrand (Prescott)
Black (Yukon)
Blanchette
Boivin
Bonnier
Bridges
Brown
Cloutier
Coté (St. Johns-Iberville-Napiervile)
Coté (Verdun)
Cournoyer
Croll
Denis
Dionne (Beauce)
Dubois
Emmerson
Farquhar
Fontaine
Fournier (Hull)
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Comox-Alberni)
Gladstone
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Harris (Grey-Bruce)
Healy
Howe
Ilsley
Jean
Jutras
Kirk
Lacombe
Lalonde
Langlois
Lapalme
Lapointe
Laurendeau
Leger
Little
McCann
McCulloch (Pictou)
Macdonald (Brantford City)
McDonald (Parry Sound)
McGarry
McIlraith
McIvor
Mackenzie
MacLean
McMaster
MacNaught
Marier
Martin
Matthews (Brandon)
Mayhew
Mitchell
Mullins
Nixon
Parent
Picard
Pinard
Raymond (Wright)
Reid
Rinfret
Robinson (Simcoe East)
St. Laurent
Sinnott
Tremblay
Viau
Warren
Whitman
Winkler
Winters—82.

NAYS

Messrs:

Adamson
Archibald
Ashby
Aylesworth
Barrett
Bentley
Blackmore
Boucher
Bowerman
Bradshaw
Burton
Campbell
Caouette
Case
Castleden
Charlton

Church	Macdonnell (Muskoka-Ontario)
Cockeram	MacInnis
Coyle	McKay
Daniel	McLure
Ferguson	MacNicol
Fleming	Matthews (Kootenay East)
Fraser	Menary
Gillis	Merritt
Harkness	Nicholson
Hazen	Probe
Henderson	Quelch
Héon	Ross (St. Paul's)
Herridge	Shaw
Homuth	Skey
Jackman	Stirling
Jaenicke	Stokes
Knight	Thatcher
Knowles	Townley-Smith
Lennard	Tustin
Lockhart	Webb
Low	Wright
McCuaig	Wylie—61.
McCullough (Assiniboia)	

PAIRS

Mr. DIEFENBAKER: I was paired with the hon. member for Hochelaga (Mr. Eudes). Had I voted, I would have voted against the Chairman's ruling.

Mr. JOHNSTON: I was paired with the hon. member for Halton (Mr. Cleaver). Had I voted, I would have voted against sustaining the Chairman's ruling.

(Translation):

Mr. GAGNON: Mr. Speaker, I was paired with the hon. member for Levis (Mr. Bourget). Had I voted, I would have voted against your ruling.

(Text):

Mr. JAQUES: I was paired with the hon. member for Edmonton West (Mr. MacKinnon). Had I voted, I would have voted against the Chairman's ruling.

(Translation):

Mr. HAMEL: Mr. Speaker, I was paired with the hon. member for Champlain (Mr. Brunelle). Otherwise, I would have voted against your ruling.

(Text):

Mr. KUHL: I was paired with the hon. member for Restigouche-Madawaska (Mr. Michaud). Had I voted, I would have voted against the Chairman's ruling.

And the house having resumed in committee:

The CHAIRMAN: Order. The committee was considering section 4.

Mr. CHURCH: I should like to take a moment to raise on this section the question I raised with the minister on the interpretation section about Indians. For two years we have had a committee considering this matter, and they have done splendid, patriotic work. They heard many organizations and received many briefs, but I do not believe they will be able to have their report dealt with this session. I read one of the briefs, I just forget which one because there were so many, in which mention was made of the provinces contributing in a case like this. I received a letter from a clergyman in Saskatchewan, near where the troops went during the northwest rebellion in 1885, referring to the Indians and Eskimos. He said their school had burned and he did not know where they were going to go in September.

I should like the minister to consider this. We have had a long time to decide whether or not they are citizens and certainly something ought to be done for them. I understand from what I read in the briefs filed by the provinces and the dominion and what was submitted to the Indian committee that contributions would be made by one or two of the provinces in certain cases of necessity, where no other contribution was available, and also that hospitalization and education would be provided.

There was a matter which I raised at the last session and which would be covered by section 4 of this bill, the providing of attendants for the blind. These people walk around; some of them at times are knocked down, and they should have attendants who should receive some federal aid herein.

Mr. MARTIN: I know the hon. gentleman has been interested in this question for some time, but I would point out to him that we are giving great consideration to the matter. No doubt he will recall the terms of the proposals made to the provinces in this regard. Provincial consultation was undertaken in an effort to cover that class to which my hon. friend refers. As he knows, they are 100 per cent the responsibility of the federal government. The kind of cooperation asked of the provinces is essential, but it is not forthcoming, and we can understand the attitude of the provinces. The hon. member will note that, under the Indian Act, Indians are entitled to certain benefits which are not open to other classes of people. It would perhaps be placing the group my hon. friend has in mind in a preferred position as compared with the provisions being made, for instance, in connection with the recipients of war veterans allowances. I know the matter is one which interests a great number of members of the house. It is a matter which has been considered by the government, and I can only

say to my hon. friend that the Indians can come within the provisions of the new act by becoming enfranchised.

Mr. LOW: Section 4 of the bill is the section under which we were to discuss the means test, and I should like to discuss it in a particular way by citing a particular case. I do this for two reasons: first, to set the details of the case squarely before hon. members of the committee for their information; and, second, to show the effect of the means test regulations which are now in force and which will exist up to the passage of this bill, upon people who have some other source of income or some property. I intend to refer particularly to the case of Jim Winters.

This case was the subject of a fantastic series of newspaper articles which appeared during April of this year. A number of hon. members came to me and asked about the newspaper reports. For instance, the hon. member for Swift Current handed me a copy of the report and had the decency to ask whether or not the details as reported were correct. Not so the hon. member for Outremont, because it seemed that the newspaper story as it was, exactly suited his purposes. On June 24 he made it the subject of a totally irresponsible and completely inaccurate speech in this house.

In order to make certain that hon. members had the exact details of this case I wired the old age pensions board in Edmonton, and I should like to read the short statement which they issued. It reads:

In view of the inquiries which the old age pension board is receiving concerning the Old Age Pensions Act and regulations made thereunder and with particular reference to a recent newspaper story of an aged pensioner which appeared in the Wetaskiwin *Times* and the Edmonton *Journal*, the board welcomes the opportunity of giving correct information to the public.

Explanations of the old age pensions legislation have been published from time to time but unfortunately there appear to be many people who do not know or understand them.

Old age pensions in Canada are governed by an act of the dominion parliament and regulations authorized by the act. The only authority which can change the Old Age Pensions Act or regulations is the dominion parliament. This act contains what is popularly referred to as a means test which requires that the entire means of an applicant or pensioner such as earnings, superannuation, gratuities and other income in cash and in kind such as board, lodging, et cetera, as well as real and personal property shall be considered in determining the amount, if any, of pension which can be paid. This means test among other things requires that the cash assets or cash value of a pensioner's personal property shall be considered under regulation 17 (a) as follows:

"For the purpose of determining the income of any applicant, the pension authority shall take into account all sources of income including (iii) the amount of an immediate Canadian government annuity, ordinary life plan, payable quarterly with the cash and securities of the applicant taken at current market value in excess of a sum not exceeding $250."

By definition the term "applicant" includes "pensioner." In the case of the old gentleman referred to in the recent newspaper story, he sold his farm in the fall of 1944 for $2,500 cash. The sum of $2,250 being the amount in excess of $250 as required by the above regulation on being referred to the dominion government annuities schedule, indicated that for the sum in excess of $250, that is, for $2,250 the dominion government annuities branch would pay the pensioner $134.84 every three months which is $539.36 a year for the rest of his life. This information was conveyed to the pensioner by letter at the time.

The regulations did not compel him to pay over any of the money he received from the sale of his farm. Although the total amount of pension he had received from May 11, 1930, to August 31, 1944, amounted to approximately $3,600. Nor did the regulations compel him to purchase an annuity. But under dominion regulation 17 (b), the provincial government (which is responsible to the dominion government for the proper administration of the act and regulations) is compelled by the legislation to consider the amount of the dominion government annuity which he could have purchased, that is $539.36 as his annual income for life.

Under present old age pensions legislation, no person is legally entitled to a pension if he or she has an income of as much as $425 a year.

That is the old ceiling which, I understand, has now been increased to $600.

This old gentleman had the means to provide himself with an annual income of $539.36 for life and he was supposed to do so for his own good. Unfortunately, he did not do so and in the meantime has exhausted his means and from now on must depend on provincial and municipal assistance for his maintenance and care.

Chairman,
Old age pensions board.

Mr MARTIN: What is the date of that letter?

Mr. LOW: The 19th of April. To show just how irresponsible and completely inaccurate were the statements made here the other evening, and to set the record straight, I am going to quote from *Hansard* at page 4592, and I am extremly happy that the hon. member for Outremont is now in his seat to hear what I have to say to him. He said at page 4592:

I now turn my attention to a clipping from the *Globe and Mail*, the heading of which states, "Didn't buy annuities so Alberta won't pension man, 105.". A few minutes ago we heard from the hon. member for Lethbridge about people ranging from seventy-two to eighty years of age. But here is one 105 years old, living in Alberta. He lives in Wetaskiwin.

Mind you, Mr. Chairman, he should have recognized that this might have been part of

a campaign to discredit the province of Alberta, which I really believe it was, but the hon. member for Outremont went on:

The article states:

"Jim Winters, Alberta's oldest resident, will be 106 years of age next month and the argument is still waging as to whether or not be should get an old age pension.

Citizens of Wetaskiwin say 'yes.' The provincial government pension officials say 'no'."

Mr. Quelch: The federal government says no.

Mr. Rinfret: It is the provincial government which has the authority.

Mr. Quelch: It is a federal act.

Ignoring completely what my hon. colleagues tried to impress upon him, the hon. member for Outremont continued:

Mr. Rinfret: And it continues:

"The government says the $2,000 he received from the sale of his farm 45 years ago should have been put into annuities. His friends ask 'what man of his age would buy annuities'?"

His farm was not sold forty-five years ago. It was sold in 1944. The discussion proceeded:

Mr. Quelch: Federal regulations.

Mr. Rinfret:

"So far, both sides are unconvinced and the battle still wages."

Mr. Johnston: Federal regulations.

Our members continued to impress on the house that this was a federal regulation, which the hon. member for Outremont completely ignored and refused to admit. The hon. member for Outremont went on:

The question I ask the Social Credit party is: Is this man Jim Winters on their Indian list?

I just want to answer the hon. member for Outremont. Jim Winters is not on our Indian list, not by any means, and I say that the question of the hon. member is irresponsible and quite unbecoming to a man of his training. He went on:

So I am asking whether Mr. Jim Winters is on the Indian list. For him I demand that at the age of 105 he be given a pension.

I hope that the hon. Minister of National Health and Welfare heard what the hon. member for Outremont demanded. He was demanding that the Alberta government give this man a pension. The Alberta government had done its best under the regulations, but was prevented by the dominion act and by regulation 17 (a) from granting a pension to Mr. Winters. The discussion proceeded:

Mr. Quelch: Page the present Minister of National Health and Welfare (Mr. Martin).

Mr. Rinfret: When he (Jim Winters) sold his property he was sixty-one years old.

That is a complete untruth. He only sold his property in 1944 and he had then been on the old age pension list since 1930, for fourteen years. He certainly did not sell his property when he was sixty-one years old. The hon. member for Outremont continued:

Who can imagine a man of sixty-one taking out an annuity?

In the light of the statement which I have given to the house I just want to ask this question. The hon. member for Outremont, who is reputed to be a brilliant lawyer and the son of a former minister of justice in this dominion—

Mr. RINFRET: That is not true. He was never minister of justice, and I wish the hon. member to withdraw that.

Mr. LOW: I am sorry I made a slip. I should have said son of the present chief justice.

Mr. RINFRET: That is quite right.

Mr. LOW: If that is what we can expect from a man trained in the law, a man who is supposed to be able to weigh evidence and be a judge of evidence and to get at the truth and present the truth, I ask hon. members whether we shall ever be able to get justice for the aged people of this country. Furthermore, I ask this question: Is it a brilliant thing for any man in this house who poses as a responsible representative of the people to base his whole case on a newspaper clipping without attempting in any way to check the accuracy of the information contained in that newspaper clipping?

There is just one other point I would mention in connection with the speech made by the hon. member for Outremont in the house on the evening of June 24. I do not attempt for one second to defend the hon. member for Pontiac; he is perfectly capable of defending himself, but I do want definitely to say, in answer to the statement made by the hon. member for Outremont, at page 4591 of *Hansard*, that he was wrong again when he said:

The amendment is much less ambitious than the one moved last year by the hon. member for Pontiac (Mr. Caouette). I say that the Social Credit group have reduced somewhat their demands on this question.

I want to say to the hon. member for Outremont that he did not know what he was talking about. He had not stopped to examine the terms of the amendment moved by the hon. member for Lethbridge and seconded by myself, so as to know what it did contain. We have never in any way nor at any time reduced the request we made last year. Here is one group that has been consistent in this house right along with respect to our requests for assistance for our aged pensioners.

Mr. BLACKMORE: For twelve years.

Mr. LOW: Yes. Mr. Chairman, I thank you for allowing me to put this information on record, because this information respecting the Old Age Pensions Act and the regulations should be in the hands of every member of this house and should be within the knowledge of the people of this country. Let me emphasize once more that the provinces, not only Alberta but all the provinces of this dominion, are bound in their administration of their own old age pension regulations by the dominion act and its regulations, and cannot depart from them. Dominion auditors are regularly going through their records and their books, and in any event where they find that a province has departed from the dominion act or regulations, deductions are made from the federal reimbursements for expenditures made by the provinces in paying the pensions. And further, the Jim Winters case demonstrates the inhumanity of the means test.

Mr. RINFRET: I am very gald to have heard from the hon. member. His declaration and statement at least prove that what I have said is true. There is a man by the name of Jim Winters who is 106 years of age and who is not at the present time receiving any pension from the government of Alberta. The regulations, it is true, have been put into operation after having been agreed upon by the federal and provincial governments. The federal government is supposed to reimburse the province for seventy-five per cent of what the province decides it will pay.

Mr. LOW: Not with respect to Jim Winters. That is not true.

Mr. RINFRET: Jim Winters sold his property, not forty-five years ago, but in 1944.

Mr. LOW: That is right.

Mr. RINFRET: I said that nobody can imagine that a man would invest that money in annuities when he was sixty-one years of age. Certainly there is nobody who would imagine that he would invest it when he was 103, and that was in 1944. So my argument is made stronger still by what the leader of the Social Credit party has just told us, that Jim Winters was 103 when he sold his farm.

Mr. LOW: After that demonstration I would hate to have the hon. member defend my case.

Mr. RINFRET: This man has lost his money and is not getting any money any more. That was from the declaration in which he said that he will have to depend upon municipal and provincial charity. Well, if he is in a condition where he has to depend upon charitable institutions, both municipal and provincial, I think it is time that an old age pension was granted to him.

Mr. LOW: So do we.

Mr. RINFRET: I am sure that the federal government will be pleased to assist him to the extent of seventy-five per cent.

The DEPUTY CHAIRMAN: I think both sides of this controversy have now been dealt with, and I should like to ask every hon. member to deal with the section under discussion. If they want to get through the business of this session and get home that is the only way to do so.

Mr. BRACKEN: We are dealing with section 4, which is one of the most important sections of the amending old age pensions bill. It deals with the question of finance, with the question of the share of the burden which will be assumed by the dominion government and with the question of maintaining the means test. It fails to provide any pension or assistance to persons under seventy years of age; it fails to provide for pensions to the blind under forty.

I want to ask the minister two or three questions. My first question is, Why does the government now come forward with the proposal that the dominion government pay only seventy-five per cent of this $30 pension? I ask the minister that question in view of the proposals made by the government of Canada itself in the statement it made to the provinces some two years ago. This is what the government says:

> As part of the general proposals now put before the conference, it is proposed that the federal government would establish a system of national old age pensions entirely financed and administered by the federal government, and paid at the uniform rate of $30 per month regardless of means to men and women aged seventy and over in all parts of Canada.

I ask the minister to be frank with the committee and tell us why, in the face of that and other statements of the government, it now comes forward with a proposal which puts at least twenty-five cent of the cost of the proposal on the provinces. The question is, why does the government come forward with a proposal that it pay only three-quarters of the cost of this service?

Mr. MARTIN: The question which the leader of the opposition has put is a fair one. It has, of course, been pointed out by me on several occasions throughout this debate, and, in particular, in detail in my opening statement, why we have brought forward this proposal. It is true that in August, 1945, the government proposed to the provinces a

national scheme of old age pensions to which it still adheres. As I have repeatedly stated, that scheme involved the payment, without a means test, to everyone in Canada seventy years of age and over, of a pension, the full cost of which was to be borne by the federal government. Another part of the scheme was that the federal government and the provincial governments on a fifty-fifty basis would pay pensions to individuals between the ages of sixty-five and sixty-nine.

Mr. BRACKEN: Let us deal with the one point first.

Mr. MARTIN: The leader of the opposition asked me a question and I must answer it in my own way. The hon. gentleman asked me why we are doing only this and I am giving him the reason. I am sure my hon. friend will see that I am making only a fair request when I ask to be allowed to explain my position.

Mr. BRACKEN: I do not want the minister to misrepresent what I asked. I asked only in regard to those seventy years of age and over and he has now started to explain about the sixty-five and sixty-nine year group.

Mr. MARTIN: I may not be as clever as my hon. friend, and I may take a long time to explain what I mean, but I am doing my best.

Mr. BRACKEN: Thank you.

Mr. MARTIN: I have said that the national scheme with regard to those between the ages of sixty-five and sixty-nine, on the one hand, involved a fifty-fifty contribution by the provinces and the federal government. With regard to the seventy and over group we were prepared to pay the full cost without a means test. You cannot look at these proposals simply by themselves, because the government stated that they were part of a general plan. They were part of a plan that would cover a scheme of health insurance and social security; they were part of a scheme that would involve a plan of public investment, the total cost of which annually would run over $600 million. That portion of the old age pension scheme referring to the government's willingness to pay a pension to everyone seventy and over without a means test would cost the government over $200 million a year. These, as my hon. friend will appreciate, are not ordinary figures. The government's scheme was a plan in which every part had its place.

Mr. MacNICOL: What does the minister mean by "the government's scheme"?

Mr. MARTIN: The proposals put forward by the government to the provinces in August, 1945. The government stands by these. My hon. friend asks why at this stage we are prepared to pay only seventy-five per cent when we said to the provinces in August, 1945, that with regard to persons seventy years of age and over we would pay the full cost.

Mr. MacNICOL: Without a means test.

Mr. MARTIN: That is my hon. friend's question. I ask him to be good enough to bear in mind what I have just said. There are several reasons why we did not do that. If we did that now, I suggest to him that we would be open—as indeed some provinces told us when the provisions of this bill were being brought to their attention—to the charge that it would be regarded as a departure from our proposals; that the way to deal with our proposals was not to offer ahead of time something that could be used as an excuse for not doing anything later on.

The next reason is that we have to consider, if we are to implement the whole scheme of social security envisaged by these proposals, that we have the money to do so. You cannot have the money to do so if you put all your money into one channel without regard to your other obligations and the whole structure of your social security scheme. That is the reason why this government, quite properly I think, trying to work within the context of its proposals to the provinces, endeavoured to act in such a manner that it would be able to give interim relief to the aged, without in any way giving to anyone an opportunity to say that we intend to use this scheme as an excuse for not going ahead, once we get an agreement with the provinces, in regard to social security.

If we had brought in a proposition now taking over the full cost of the old age pensions ourselves and not asking the provinces to bear any share we would be charged —and I am quite sure that we would be legitimately charged—in many quarters with using our old age pension scheme of 100 per cent assumption of financial responsibility as an excuse for not going ahead with regard to health insurance and public investment. I am one who intends to do all I can to see that we have health insurance in this country, to see that we have a public investment programme once we get an agrement with the provinces. I would not do anything which would give any party or any group in this country an opportunity of saying, "Well, now, you have done that; that will cost a lot of money; that will cost $200 million; surely you have done enough." That is what would be used against us, and it was because of that sort of thing that I proposed to my colleagues, with the great social security programme that we have in mind if we could get an agree-

ment with the provinces, that we continue on this basis. I am sure that if my hon. friend will calculate the payments which are paid by the provinces now toward the upkeep of old age pension and compare them with the contribution made by the federal government he will see that I was on pretty firm ground.

I have in my hand a table which I wish to give to the committee and which perhaps is, in addition to what I have said, as complete an answer to the hon. gentleman's very fair question as I know how to give it. This statement shows the provincial expenditures on old age pensions under the act in relation to federal expenditures for 1946-47:

Province	Federal expenditures	Provincial expenditures
British Columbia	$3,848,058	$1,282,686

That is the situation in a province which, taking what we give and what they pay, will provide the old age pensioner, at the present time, under this act, without spending one cent more, with the sum of $38.75. I give the other figures:

Province	Federal	Provincial
Alberta	$2,761,580	$ 920,526
Saskatchewan	3,167,165	1,055,721
Manitoba	2,913,472	971,124
Ontario	14,246,224	4,748,741
Quebec	12,072,701	4,024,233
New Brunswick	2,815,433	938,477
Nova Scotia	3,240,690	1,080,230
Prince Edward Island .	375,019	124,006

Mr. NICHOLSON: Has the minister the figures for health in the case of Saskachewan?

Mr. MARTIN: I have simply given a table of expenditures under the act for the federal and provincial governments. These figures clearly indicate that this government is now spending, roughly speaking, $48 million on old age pensions as opposed to $17 million by the provinces, and therefore is not making under this bill any unfair imposition; and the reason why we have kept to this formula, and have not resorted to the formula involved in the green book is that the proposals to the provinces themselves stand as part of a plan which we said we would not depart from, and which if we had departed from, as suggested by my hon. friend's question—I do not say that he meant it in that way—would result in great numbers of people saying "Well, there the government has a plan which it has substituted for the broader social security objectives in the proposals made to the provinces." That is what would be said. That would be a strong argument, and it was because of that consideration that I did not propose, as one who believes in a system of national security, to allow myself to be trapped.

Mr. BRACKEN: My question to the minister was why, in this measure, the dominion government is not assuming the whole cost of old age pensions for people over seventy. I asked that question because this government two years ago undertook to do it in agreement with the provinces. Hon. members have heard the minister's answers and the public will be prepared to assess those answers on their merits. What has he said? He said that we have not a dominion provincial agreement with all the provinces. He has said that the provinces are not paying enough, and he declares he is on firm ground with his present proposal, which, in his own words, will be an added contribution by the dominion of some $20 million. In his own statement just now he admitted that the cost of old age pensions at seventy without the means test would be $200 million. That was the proposal made by this government two years ago, and the committee has heard the minister's answer as to why they discarded it. I suggest that is not the real answer at all.

I am going to read now the views of a man who is supposed to be an authority on this matter. He was quoted by the minister himself as an authority on social questions and as being probably more interested than any other human being in this house in this matter. I am referring to a man who made a speech in this chamber sixteen years ago on this question. I refer to the Prime Minister of Canada (Mr. Mackenzie King). This is what he had to say on the question of the share of cost that should be borne by the dominion government. And this statement was made before they ever had a thought of dominion-provincial agreements. I quote from the House of Commons Debates, 1931, June 2, at page 2260, the words of the present Prime Minister.

Mr. KNOWLES: Yesterday the minister called that a discarded opinion.

Mr. BRACKEN: This is what the right hon. gentleman said:

> It was recognized that an amendment to the British North America Act would take some time, and for that reason the government of the day—

He was speaking of the Liberal government.

> —adopted the method of agreeing to give these grants in aid to the provinces on condition that they would carry out a scheme framed by the federal government which would be similar in all the provinces.
>
> An hon. Member: A vicious principle.
>
> Mr. Mackenzie King: The principle, from a financial point of view was unsound. I am quite prepared to concede that. But I will go a step further and say that, in my opinion, this parliament ought to remedy the unsoundness of the

principle, not by discontinuing to vote money for old age pensions, but by assuming the entire obligation, one hundred per cent. This government should take over the whole scheme and itself pay out the money. That is the position that should be taken; that is the proper way to remedy what there is of unsoundness in the principle.

Mr. Chaplin: That is an extension of the vicious principle.

Mr. Mackenzie King: No; on the contrary, it is getting rid of what is vicious. I wish my hon. friend to follow me in this. The principle of old age pensions is a thoroughly sound one.

I drop a couple of lines.

Obviously the principle is thoroughly sound. I have always taken that position and have fought strenuously for it; and to get that principle recognized by parliament I was prepared to go so far as to support a grant in aid, which I am perfectly frank to admit was, from the point of view of financing, an unsound method. Now I say, let us recognize that the principle of old age pensions itself is perfectly sound and involves an obligation which the federal parliament should assume. Let us undertake to administer the Old Age Pensions Act from Ottawa and have all the moneys which are necessary for the payment of those pensions voted by this parliament.

That is the view of a man who is quoted by the minister of health as an authority. Yet, in the face of that and in the face of the position of the government and their offer to pay 100 per cent of it two years ago, they come forward with this seventy-five per cent proposal. In the face of a plan which the Prime Minister was advocating and which would cost this country $200 million, the minister brings forward this plan of giving only $60 a year of an increase to old age pensioners.

I now wish to ask the minister another question. In the face of the decision of the government to eliminate the means test, why does he come forward now with a plan which perpetuates it? In their offer two years ago they knew the cost of that plan. I ask the minister to answer now why he comes forward with an entirely different plan.

Mr. MARTIN: May I point out to the hon. gentleman that I respect the high constitutional authority to which he has just made reference.

Mr. MacINNIS: He was in opposition at the time.

Mr. MARTIN: I would remind the gentleman that there are extenuating circumstances which perhaps will explain the situation, and these I give. But before doing that, may I remind the hon. member that, before the federal election in 1930, the then leader of the opposition, Lord Bennett, said that if he got into office he would propose the taking over by the federal government of the full cost of old age pensions. That was also the attitude taken by the followers of my hon. friend under other leadership all through the parliaments between 1926 and 1930. When Lord Bennett became Prime Minister of Canada in 1930, he did make a change in the Old Age Pensions Act by increasing the federal contribution from fifty per cent, at which figure it then was, to seventy-five per cent. He did not do what he said he would do, namely, bring the contribution up to 100 per cent. That is an important point to note. Since the Prime Minister made that statement, if my hon. friend will read the debate, as I am sure he has done, he will find that the whole context of it reveals an attitude which was shared not only by the leader of this party, but by the house in general; but the statement was in respect only of a scheme for old age pensions. The proposals which were laid before the provinces in 1945 went away beyond that. They involved considerations which, I would again remind the hon. gentleman, called for the expenditure of over $600,000,000 annually, to be paid by the federal and provincial governments. I think one must read the statement made by the Prime Minister, which my hon. friend has so correctly quoted, in the light of those proposals. I now come to the question about the means test. I tried to indicate yesterday that no country in the world has eliminated the means test, even those which have a contributory system. New Zealand has a contributory system, and she has a universal free system. Australia has both systems. So has Great Britain, and so has the United States. In all those cases they retained the means test. No country where there is a universal free system has abandoned the means test.

Mr. MacINNIS: Would the minister allow me to make a point?

Mr. MARTIN: Yes.

Mr. MacINNIS: In New Zealand the universal superannuation does not carry a means test. It has not reached its full amount, but it will not carry a means test even when it reaches the full amount.

Mr. MARTIN: In the case of New Zealand, the universal superannuation now stands at $7.36 a month, which is actually less than the amount we pay in Canada under family allowances to a child thirteen years of age.

Mr. MacINNIS: But it is increasing by so much every year. Do not be cheap. Tell the whole story.

Mr. MARTIN: I am not given to being cheap. Please let me go on.

Mr. MacINNIS: Quite. I would not have disturbed my hon. friend if I had thought he was going to make a cheap gibe out of the point I made.

Mr. MARTIN: Believe me, I am not trying to do anything of the kind, although the hon. member may have thought that.

The DEPUTY CHAIRMAN: Order.

Mr. MARTIN: I am really trying to deal with this question as objectively as I can, because it is an important and difficult one. What I have said with regard to the seventy-five per cent applies in equal measure to the means test. The proposals which were laid before the provinces must not be taken individually; they must be taken as a plan.

Mr. FLEMING: Take it or leave it.

Mr. MARTIN: Well, if my hon. friend wants to take that attitude in a discussion of this kind, I cannot help it.

Mr. FLEMING: The government does.

The DEPUTY CHAIRMAN: Order.

Mr. MARTIN: As I say, the proposals must be taken as a plan which will cost this country a great deal of money every year, and we shall be committed to it for the rest of our lives. I am not opposed to that, but I am pointing out what it means. When the government had those discussions with the provinces we did not say we would do this or would do that. We said we were prepared to do all of these things, but they are all integrated. That must be kept in mind. I did not want to bring before this house a proposal with respect to this measure—and the elimination of the means test would have meant that very thing—which would give anyone the chance of saying, "You have now done something very generous. That will be your substitute for the proposals themselves." To hon. members who are interested in seeing a social security programme built up gradually, stage by stage, each government participating, I have no hesitation in saying that I am sure, on fair reflection, they will see the wisdom of the statement I have just made. We have not taken away the means test as applied to people of seventy and over, for the reason I have mentioned. What we have done is to liberalize the means test to a considerable extent.

Mr. JACKMAN: The effect is to reduce the income under the new act.

Mr. MARTIN: No. The hon. member wants to say it reduces it, but let me indicate what it means.

Mr. JACKMAN: I will tell the minister that it reduces it by $219.

Mr. WARREN: Would the hon. member like to abolish it?

Mr. JACKMAN: Certainly, I should like to abolish it.

Mr. MARTIN: I do not think sufficient attention has been paid to the provision for increases in maximum incomes allowable.

Mr. JACKMAN: I do not think the minister has paid sufficient attention to that.

Mr. MARTIN: My hon. friend says he does not think I have.

Mr. JACKMAN: If the incomes are reduced, they are not increased.

Mr. MARTIN: I can only say that I have used the best brain power I have, but I will admit that perhaps it is not as much as my hon. friend would like to see. Perhaps I might put this table on *Hansard* with the consent of the committee.

The DEPUTY CHAIRMAN: Has the minister consent?

Some hon. MEMBER: Agreed.

Mr. MARTIN: The table is as follows:

Comparative table showing increases in maximum incomes allowable (inclusive of pension) to pensioners under the Old Age Pensions Act and the amending bill

	Income allowed including pension or pensions payable under present act and wartime orders in council (Per annum)	Under new bill (Per annum)
1. Single old age pensioner	$ 425	$ 600
2. Married old age pensioner (sighted spouse)	850	1,080
3. Married old age pensioner (blind spouse)	925	1,200
4. Single blind pensioner	500	720
5. Single blind pensioner (dependent child)	700	920
6. Married blind pensioner (sighted spouse)	925	1,200
7. Married blind pensioner (blind spouse)	1,000	1,320

I do not say this does everything; I do not offer it as a full and final measure, but I suggest with great sincerity that these figures, in the light of our obligations, which are tremendous; in the light of our proposals to the provinces; in view of the fact that these are among the most liberal means test provisions to be found anywhere in the world, do not offer justification for much of the criticism which has been made. And to the hon. gentleman who put the question, I say that is the reason the means test was not eliminated, and particularly so that no one could say we were short cutting the proposals, made to all the provinces, that we were seeking to do by ourselves something less than we had said we would do on a much greater scale with the provinces once we got fiscal agreement.

Mr. BRACKEN: The question I asked the minister was why he has come forward now with a proposal which does not eliminate the means test, after the government undertook in their plans two years ago to eliminate it. One part of the minister's answer is that no country in the world has eliminated the means test. But the government knew that fact when it proposed to eliminate the means test two years ago. The minister now pleads the huge cost of these social services as an excuse for not proceeding with the government's original plans. He said the great plans they had in connection with all these things would cost the dominion and the provinces $600 million, and therefore the government could not proceed with them except to the extent of about $20 million. I want to ask the minister this. They did bring in a social security plan—family allowances—which cost this country $250 million a year, about five times the cost of old age pensions, and they did not require any means test for it. I ask why they did not have a means test in that case, and why they persist in retaining the means test under the old age pension scheme.

Mr. MARTIN: I want to say to the hon. gentleman again, as I have said twice already today, perhaps inadequately, and as I have said before in the debate, that the proposal to the provinces regarding the means test was part of a plan. It was conditional. We could not do it by ourselves, in all responsibility, but we were prepared to do it as part of a plan if we were able to get fiscal agreement with the provinces. What my hon. friend is saying is that if you make an agreement to pay a man $1,000 for a horse and he does not give you the horse, you must still give him the $1,000. Really that is the same thing.

[Mr. Martin.]

Some hon. MEMBERS: Oh, oh.

Mr. MARTIN: My hon. friend made what, I think, was a fair observation, though I do not believe it is valid. He said, "But you did that with regard to family allowances, which cost $250 million. You did not consult the provinces, and you do not have a means test." I wonder if my hon. friend has thought carefully about that observation. That was a matter of financial assistance to children who were supposed to be at school, not earning money. How could you apply a means test to them?

Mr. BRACKEN: I have two or three other questions to ask the minister. I think he let the cat out of the bag a minute or two ago in connection with this matter when he spoke of the huge cost of the government's social security and public investment plan, which was to be $600 million. That is why this government have come along with this little plan; they are afraid to face the people with the costly plans they put forward two years ago. That is why this plan is now brought forward. The government can take one side or the other of this position, but not both. It is now trying to make scapegoats of a couple of provinces that did not come in. It says it is their fault that we cannot have this huge social security and public investment plan which cost the country $600 million a year. As I said, the minister has let the cat out of the bag. The government is afraid to face the public with that huge expenditure. That is why these plans are whittled down to what they are today.

I now want to ask the minister another question. Why has the government left entirely out of its proposal the offer of a fifty-fifty plan of public assistance to persons between the age of sixty-five and seventy, the offer it made two years ago? I ask the minister to explain why the government has taken this position, after two short years. I ask him to answer that question in the light of the statements which may be found at page 38 of this so-called green book, containing the 1945 proposals of the government of Canada. This particular feature deals with the means test and, a little later, with the public assistance proposal for persons under seventy years of age. What did they say about the means test, which the government is now perpetuating? These are their words:

> The principal feature of the proposed national old age pensions is the elimination of the means test after reaching age seventy, regarding this as unsuitable for the oldest group in the community over eighty per cent of whom are not in fact capable of supporting themselves in useful, re-

munerative work. Payment of pensions as of right to people of this age offers the best kind of economic security.

That is this government, two years ago.

It removes the fear of destitution much more certainly than any other method, and relieves old people of the necessity of seeking work, or of endeavouring to keep on working in unfavourable circumstances and beyond the age at which they should be able to retire, wtihout dependence on charity or burdening the family. In addition to providing a minimum subsistence for those with no other resources, this system would enable other persons with moderate private savings to retire from active work sooner, or in more comfort, than would otherwise be possible.

Then comes this closing sentence:

The removal of the means test would make it possible for these pensions to be administered by the federal government alone on a uniform national basis, without the necessity for provincial participation, and would thereby considerably relieve provincial finances.

That was the view put forward by the government two years ago. But what have we today? A complete denial of that proposal. I ask the minister now why he is doing nothing for people under seventy years of age, in view of what the government had to say two years ago with respect to them.

Mr. WARREN: Because the provinces did not agree.

Some hon. MEMBERS: Six o'clock.

Mr. MARTIN: Are you asking me a direct question?

Mr. BRACKEN: Yes, but I will give you time to answer it after dinner.

Mr. WARREN: I should like to ask the hon. member a question.

At six o'clock the committee took recess.

After Recess

The committee resumed at seven o'clock.

Mr. BRACKEN: When the committee rose at six o'clock I was about to refer to the government's promise of two years ago that it would share with the provinces on a fifty-fifty plan for assistance to aged persons between the ages of sixty-five and seventy years. My question is: Why is the government not making any provision to meet that situation now?

Mr. MARTIN: I thought I had answered that earlier. I can only say that that was part of a full plan which embraced proposals with regard to health, public investment and social security. Each part has to be taken in conjunction with the whole. I was not going to propose to this parliament at this stage anything which I felt and which the government feels would be regarded as a substitute for a much more all-embracing system of social security, health and public investment.

There is one additional fact with regard to the 65-69 proposal. In that case the responsibility of the provinces would be greater than under the present bill. They were to share the cost of old age assistance to persons between sixty-five and sixty-nine years of age on a fifty-fifty basis, and I may tell my hon. friend that they would not have gone for that proposal.

One must bear in mind that we have made great progress since last year when my predecessor stood in this place when this matter was discussed on the estimates. He was not in the fortunate position I am in today in being able to say that we have agreements on fiscal matters with seven provinces. That means that we have gone a great bit forward since that time and we are much closer to the stage when we shall have a social security conference. I have no doubt in my mind that we shall receive sufficient acceptance by the provinces other than those seven to enable us to deal with the definite proposals we have in mind.

The provinces which are out represent, I will not say all the wealth of the country, but I think it can be stated definitely that they do represent about eighty per cent. Their population is quite large, and two-thirds of the population which would be affected by social security measures are in those two provinces. How long we shall have to wait is another matter. But that is what the hon. gentleman should keep in mind; it is what I have to keep in mind and what the government has had to keep in mind.

We had made broad proposals in the three fields of health, social security and public investment. When one looks at what we were prepared to do in the field of health alone by way of low interest costs for hospitals, by way of attacking tuberculosis and other diseases, by way of planning grants and so on, he will realize that we have a formidable programme, a programme which, I think, we should all aspire to, regardless of our political affiliations.

Those are the objectives which we had in our minds. It was because of those objectives that it is more desirable to have a broad social security scheme than to have one that is lopsided, one that gives relief to only one group. Surely what we should aim at is to give social security assistance to all groups, and that is what the proposals envisage. If we do anything that will prejudice

that or give anyone justification for saying that this is a substitute, I believe we would not be doing justice to the Canadian people. I am sure that, on reflection and analysis by those in this house who have given this matter their careful attention and by the public generally in Canada, there will be agreement with the position I am taking.

Mr. BRACKEN: I have one further question to ask and a brief statement to make, and then I think I shall have finished. I asked the minister why the government has brought forward no plan for pensions for persons between the ages of sixty-five and sixty-nine years. Hon. members of the committee have heard the minister's answer, which is again to the effect that he has no over-all agreement with all the provinces. I suggest that that is a very weak answer. The simple fact is that because two of the provinces are not in this agreement today this government is spending $100 million less than it would otherwise have had to raise and spend. The contributions to those provinces would have been something over $100 million. The government does not have to raise that amount under its present plans.

The minister states that to provide old age assistance for persons between the ages of sixty-five and seventy years would cost at least $34,000,000 a year. Let me point out that, because those other two provinces, Ontario and Quebec, are not in this, the government does not have to impose taxes of $100 million; it does not have to pay them that $100 million; and therefore it is more able to finance some of these services than it would if those two provinces were in.

The committee has heard the minister's answer to my question. In the light of that answer, I want to read the views of the government two years ago with respect to assistance to persons of the ages of sixty-five to seventy years as contained in a thoughtful document, namely the proposals of the government in 1945. I read from page 38, as follows:

> The minimum age for national old age pensions must be definite and fixed; it cannot vary with individual cases. It must be recognized, however, that there will be an intermediate age group in which a significant minority of persons will be unable, by reason of age, to support themselves without assistance.

This is the government of Canada speaking two years ago.

> These persons who, in fact, suffer from the disability which old age pensions are intended to assist, should not be left with no other resources than local poor relief for the temporary period which must elapse till they reach the qualifying age for old age pensions. Accordingly, it is proposed that the existing system of joint dominion-provincial old age assistance on a means-test basis, which it is proposed to supersede as regards persons of 70 and over, should be adapted to meet the needs in particular cases of persons of age 65-69, with a federal government contribution of 50 per cent of the cost.

And two or three sentences below:

> The federal government offers to provide financial assistance and give tangible expression to the national interest in the matter, by contributing 50 per cent of the cost.

I present that considered statement by this government as given two years ago and put it side by side with the statement which the minister made today in justifying the present measure.

Mr. GLADSTONE: You are just picking that out of the entire proposals.

Mr. BRACKEN: I am saying exactly what was here in the government's own proposals, that and no more.

Mr. GLADSTONE: Which was part of an entire programme.

Mr. BRACKEN: It is, in substance, the complete statement of the government on this particular question.

Mr. MARTIN: Was it not conditional on the whole plan?

Mr. BRACKEN: The minister says it is.

Mr. MARTIN: Do not the proposals themselves say that?

Mr. BRACKEN: At the beginning it says that it is part of a general plan, which the minister says is conditional upon all the provinces coming into an agreement with the federal government. I have just pointed out that you are $100,000,000 better off because two provinces did not come in. You do not have to tax the Canadian people the $100,000,000 that would go to them. If those two provinces had come in, you would have had to raise $100,000,000 more. So the government is more able now to provide $34 million for people between the ages of sixty-five and seventy who need assistance than it would have been if those two provinces had come in.

I have one other question to ask and then a short statement to make. I would ask the minister how many blind persons there are in Canada say between the ages of twenty-one and forty, and what would it cost to provide pensions for them at the present rate of pensions for the blind over forty.

Mr. MARTIN: I do not know what I can do to satisfy the hon. gentleman. I have done what I conceive to be my deliberate best. The hon. member for Wellington South, has perhaps put it better than I did. The proposals put forward by the government were never put

forward as individual proposals, but as part of an integrated plan. My hon. friend speaks of our financial position now. While it is considerably ameliorated, my hon. friend must not, if he wants to do justice to this issue, lose sight of the total cost of the whole plan. I may be wrong, but I conclude from what he has just said that he does not share with me the desire to see health insurance, public investment, and an all-embracing—

Mr. BRACKEN: I would ask the minister not to put words into my mouth.

Mr. MARTIN: I was only drawing conclusions.

Mr. BRACKEN: The minister drew wrong conclusions yesterday and he is doing so again.

Mr. MARTIN: If my hon. friend wants to see health insurance and public investment and the kind of social security that I have envisaged in this country, then in fairness to those proposals and to the Canadian people he must have in his mind what the total cost will be, unless he shares the view of those who sit at the extreme left of the Chairman as to the ways and means by which those proposals can be financed. If he does take the view that I take, that there is so much money to do these things, that the Canadian people can stand so much and only so much, then he must, I think, in all logic take the position that I have taken. The proposal to give old age assistance between the ages of sixty-five and sixty-nine and to pay the full cost of pensions to those seventy and over without a means test was part of a gigantic plan which, in the words of Sir William Beveridge, would place Canada foremost amongst the nations, if realized. That is the government's objective. The hon. gentleman may say that the government would never be able to realize its objective for this reason or that. That would be a fair way of putting it, but he should not go on saying that the government has reneged on its proposals. On June 27, 1946, the then minister of finance used these words:

> They (the dominion's proposals) remain, nevertheless, an essential part of the programme of this government. We continue to be ready to proceed with these or similar measures as and when arrangements can be worked out which enable us to carry them out satisfactorily. We earnestly hope that those who have it in their power to make agreement possible will not long delay in making it possible to consummate the objectives we have in mind.

Then the Prime Minister, on July 15, made this statement, which has been repeated—I said wrongly three times yesterday—seven times since:

> The public investment and social security proposals submitted last August remain an essential part of the dominion government's programme. As soon as there is a sufficient acceptance of the proposed tax agreements we shall be ready to explore in a general conference or otherwise the possibility of working out mutually satisfactory arrangements in regard to the whole or any part of our earlier public investment and social security proposals.

That is the policy of the government.

Mr. FLEMING: Would the minister read the whole extract? The extract given on page 4643 of *Hansard* says: "the whole or any part of our earlier public investment and social security proposals." It is not just the whole, but any part.

Mr. MARTIN: I said that.

The DEPUTY CHAIRMAN: I would call the attention of hon. members to the fact that they are really dealing now with the principle of the bill. There was a long discussion of the principle on the second reading and the principle was agreed upon. Now that the bill is in committee, we should adhere strictly to the clauses.

Mr. BRACKEN: I do not know whether the Chairman means me to discontinue these remarks. If he orders me to discontinue, I will do so, but under no other circumstances because I have one or two other things to say.

The DEPUTY CHAIRMAN: I would not want to interfere with the leader of the opposition. He has not said very much on this bill. But I think the members will agree with me that I have stated the situation correctly, and I hope that the members will try to cooperate. I do not want to be too rigid.

Mr. BRACKEN: I thank you, Mr. Chairman, for suggesting that I am not trying to cooperate. I doubt if that censure is due to me on this or any other occasion. I asked the minister a simple question: How many blind persons are there in Canada between the ages of twenty-one and forty, and what would it cost to give them a pension at the old rate for blind persons? He has said not one word in answer to that, but went on with a long speech in which he read some promise which the finance minister made some time ago and others which he said the Prime Minister had repeated seven times. But what we are interested in today, Mr. Chairman, is not the promises that have been made, but the reality that is being given to us by the government.

Mr. MARTIN: My hon. friend's question might come under section 5.

Mr. BRACKEN: The minister may answer it then because he did not make one single reference to it just now.

Mr. MARTIN: Because it was out of order.

Mr. BRACKEN: The minister did not then give that as a reason. He made a long speech and avoided the question altogether.

I want now to raise another matter. The minister has raised the question of the approach of the different provinces to this question, and he chose to bring in Manitoba, and to paint its record in connection with old age pensions in an unfavourable light. Why he did that, I leave hon. members themselves to determine. Instead of defending and explaining his own bill, he went out of his way to try to find somebody to find fault with, and among other things he directed his criticism to the leader of the opposition, not in my present capacity, but when I was premier of Manitoba. He made two statements about me which he placed on the record. I think the truth should be put on the record in addition to his prejudiced statement. This is what the minister had to say about men when I was acting in that other capacity. I am quoting from page 4642 of *Hansard:*

> But did the government of that day,—
>
> That is the government of Manitoba.
>
> —headed by my hon. friend who is now the leader of the opposition, do anything at that time to improve the status of the old age pensioners? No. At that time my hon. friend was the premier of a province, and let us see what he did when he was the premier of that province. In 1927 the bill became law. My hon. friend waited for a year before he brought in an act by which in Manitoba he could take advantage of the old age pension legislation passed by this parliament. He waited a year, and, using the kind of argument which he uses, I say to him that for a whole year he deprived the old age pensioners of Manitoba of something which this government was prepared to give them.

This dominion legislation was passed in 1927. In 1928 the Manitoba government entered upon the scheme. It was not the last province to enter upon it. I think only one province had entered upon it prior to the time we did—

Mr. NICHOLSON: British Columbia and Saskatchewan.

Mr. BRACKEN: With all deference, I think the hon. member is wrong.

Mr. MARTIN: Two provinces.

Mr. BRACKEN: British Columbia came in, in 1927; Manitoba and Saskatchewan came in, in 1928, and six other provinces came in later.

The DEPUTY CHAIRMAN: Order. I think I shall have to call the attention of the hon. member to the fact that, in my opinion, this is not in order on section 4. I leave the matter to the committee. If they are agreeable to the presentation being made it is all right.

Some hon. MEMBERS: Agreed.

Some hon. MEMBERS: No.

Mr. MARTIN: May I—

Mr. BRACKEN: On a question of privilege—

Mr. MARTIN: I want to help my hon. friend.

Mr. BRACKEN: I am sure you do.

Mr. MARTIN: I think that both of us were out of order on this particular question, but since I dealt with the hon. gentleman in particular I think he should be allowed an opportunity of answering me. In that regard I would ask the committee to permit him to answer.

Mr. BRACKEN: The minister dealt with this question in closing the debate, at a time when nobody could answer. The statements he made and the inference he drew therefrom were completely wrong. I can raise this matter on a question of privilege if I am denied the right to do it on some other ground.

I have referred to one part of what my hon. friend said. May I go on to another. The minister went on to say:

> Then what happened? My hon. friend ceased to be Premier of Manitoba in December, 1942.

That in itself was an error, but I am not emphasizing that point. The minister continues:

> He became the leader of a great political party.

Mr. KNIGHT: Another error.

Some hon. MEMBERS: Oh, oh.

An hon. MEMBER: A serious error.

Mr. BRACKEN: That is the one part of the minister's statement that was accurate. I continue:

> Then three months after his going out of office the present government of Manitoba did something which for fifteen years he (Mr. Bracken) had failed to do, namely, to increase the old age supplement payable by the province of Manitoba on top of what had been paid.

The minister ended up in this way:

> Therefore I say by a man's deeds he shall be judged, and not by statements made in the heat of debate in respect of a vitally important matter.

What the minister said in that statement was that something had been done three months after I left the premiership of Mani-

toba which had not been done before. That is an incorrect statement and the minister ought to have known it.

Mr. MARTIN: I have the act here.

Mr. BRACKEN: I hold in my hand the *Journals* of the legislative assembly of Manitoba for 1941-42. I was the premier of that province until the middle of January, 1943. This is the record of what happened with respect to old age pensions in Manitoba in 1942. On February 17 of that year this resolution was introduced into the legislature of Manitoba:

That a special committee of the legislature be appointed for the purpose of a thorough study and examination of "The Old Age and Blind Persons' Pensions Act" and all subsequent regulations and orders in council affecting the same, and making such recommendation as may be deemed necessary and desirable.

The resolution goes on to give the names of half a dozen members of the committee. That resolution was passed unanimously by the legislature of Manitoba.

Mr. KNOWLES: Was that a government resolution?

Mr. BRACKEN: No; it was introduced by a private member, Mr. Renouf of Swan River, at present a member of the legislature. Members of all parties were on the committee. The motion was unanimously accepted. They brought in a unanimous report. This is their report as it appears on page 101 of the 1942 *Journals* of the Manitoba legislature:

To the Honourable the Legislative Assembly of Manitoba,

Your committee on "The Old Age and Blind Persons' Pensions Act," beg leave to present the following as its report:—

Your committee has held some fifteen meetings and has heard representations from many organizations and from individuals. The committee has also received valuable aid and assistance from Major Newcombe, the commissioners, and from members of his staff.

In a number of cases your committee found that regulations were such that they created certain hardships but in many other cases where complaints were made as a result of the sitting of the committee, many matters were satisfactorily adjusted.

Your committee therefore recommends:

1. That the government of the province of Manitoba make strong recommendations to the government of Canada to the effect that the maximum old age and blind persons' pensions be increased from $240 to $300 per year which shall be subject to reduction by the amount of the income of the pensioner in excess of $125 per year, and that section 8 subsection "F" of the Old Age Pension Act be amended by striking out the words "$365 per year" and substituting therefor the words "$425."

2. That pay assigned by an enlisted man in His Majesty's forces to his parents or either of them shall not in any case be considered as income for old age or blind purposes whether or not such assigned pay is augmented by dependent's allowance to either of such parents.

3. That regulation 10 sub-section 8 be amended by striking out "5,844 days" and substituting therefor "5,114 days".

4. That old age and blind pensions commence from the date of application as they did formerly providing all qualifications are in order.

5. We recommend an amendment to regulation 17 governing the computing of income so as to provide that medical, hospitalization and other extraordinary expenses paid by members of the family as contribution to pensioner or paid out of pensioner's income should not be taken as income in computing pensioner's income.

6. Your committee strongly urges that this government take immediate steps to try and insure that the above recommendations become effective at the very earliest possible date and that every effort be made and continued by this government to bring the above changes into operation.

7. It is recommended to the government that all the other provinces be approached by this government, with the object of insuring that all the other provinces join with us in urging upon the dominion government the desirability of making the necessary amendments to "The Old Age and Blind Persons' Pensions Act" in order to make these recommendations effective.

That was the unanimous report of the committee, representative of the whole legislature. On pages 116 and 117 of these journals, reporting the activities of March 30 and 31, 1942, that resolution is reported as receiving the unanimous approval of the legislature. That, Mr. Chairman, was while I was Prime Minister of Manitoba, the time when the minister said we did nothing about the matter.

Now what happened? That resolution, as passed unanimously by the legislature, was forwarded, while I was still Prime Minister of Manitoba, to the government of Canada, to the then minister of finance, urging that the dominion government accept that proposal and join with the provinces in making another $5 a month increase to pensioners, the province undertaking to pay its share of that increase. What was the result? This government turned down that proposal for reasons that it kept to itself. We advanced the plan and they turned it down. Yet, in the face of that decision of this government to turn it down, the government of Manitoba came along and said, "We will pay our quarter of that amount whether the dominion government does its share or not". It was some considerable time later before this government undertook to bear its portion of the cost.

That, sir, is the record, and that was all done in 1942.

Mr. MARTIN: The increase was in 1943, and by the federal government.

Mr. BRACKEN: But this was done by Manitoba in 1942, and the federal government refused to cooperate with us in that increase until later on. Those are the facts. Yet this is what the minister said about it, at page 4642 of *Hansard*:

> Therefore I say by a man's deeds he shall be judged, and not by statements made in the heat of debate in respect of a vitally important matter.

There are the facts. The minister made an exactly contrary statement yesterday. The least he can do now is to do what he did in respect of another matter yesterday—admit that he was wrong and say these decisions were arrived at while I was still Prime Minister of Manitoba and not after I had left.

Mr. MARTIN: I do not want to take up time on this point, but I have been asked to do so. I must say that I cannot admit error, because the hon. gentleman has not dealt with the point I made yesterday. He became leader of the Progressive Conservative party in 1942. I have before me here a copy of the act passed by the legislature of Manitoba on March 17, assented to on March 17, 1943, three months after he left the office of Premier of Manitoba, and it was by this act that the supplement was given in Manitoba, three months after he had left. That is all I can say, in full substantiation of my allegation of yesterday.

Mr. BRACKEN: The committee heard the statement from the Manitoba *Journals* with respect to what was done in the legislature of Manitoba in 1942, while I was premier. In that year the full plans were made for increasing the pension, and in that year, this government refused to cooperate. Then the Manitoba government decided to come forward and pay its share whether the dominion did or not. That could be done only at a session of the legislature, and the legislature was not due to meet until after I left. I left in the middle of January, 1943. Those are the facts. Yet the minister has not seen fit to withdraw the incorrect statement he made, a statement that was incorrect, both as to who took this action in the province of Manitoba, and as to when the decision was made.

Mr. MacINNIS: I wish to deal specifically with section 4 which we are now considering. This is the section which states the amount of the pension and the conditions under which it will be paid. Speaking before the dinner recess, the minister made a great deal of the amount of income the pensioner would have outside of the pension the government would pay under the bill.

Mr. JACKMAN: That is outside income.

Mr. MacINNIS: As a matter of fact, the government is not to be thanked for the outside income. That is income the pensioner has already. Of course there is an improvement, because of the larger outside income allowable, but in deciding the adequacy of the pension we should not consider the amount of income the pensioner has, that is, the outside income. We should consider the pension when it is the sole income. If you take it on that basis, then the pension payable under this measure is $360, and what we have to ask ourselves before passing this measure is this: There are people in Canada, as is proved by the government's own green book, who have no outside income and whose total income, therefore, under this plan will be the pension—$360. It is worse than that, if I read the measure correctly. The bill provides, in paragraph (c) and in the following paragraphs, what the pension shall be. I quote from (ii):

> . . . married to and living with a sighted spouse, and the total income of such person and his spouse, inclusive of pension is not more than $1,080 a year . . .

But supposing a man's wife has no income at all. In such circumstances, under this old age pension bill the man and his wife are supposed to live on $360, because that is the only income they will have. As I said before, there is no use in talking about outside income. What we should seek to provide in this legislation is an income sufficient at least to provide the necessities of life for persons who have no outside income. Unless we do that, these people will either have to beg or slowly starve. I should like to find some satisfactory explanation for that. In his remarks before the dinner recess, the minister mentioned that Canada had the most generous means test of any country in the world.

Mr. MARTIN: As a result of this bill.

Mr. MacINNIS: All right, as a result of the bill. He mentioned New Zealand specifically. Until we examine the regulations made for the operation of this bill carefully, and know how they are to be interpreted, I do not believe we are in a position to say how generous the means test really is. I would imagine that a part of a means test would be a provision that a wife, if she is not eligible for a pension in her own right, should have some assistance. In New Zealand, where the applicant is a married man and his wife is not qualified to

receive benefit in her own right, the basic rate may be increased at the direction of the commission by an amount not exceeding £2 a week or £104 per annum—that is, an amount equal to that received by the husband who is in receipt of a pension—provided that the total income of man and wife plus any benefit payable does not exceed £260 per annum. There is no such provision as that in the Canadian Old Age Pensions Act, and there is no provision like that in the bill which is now before us. To that extent at least it falls short of being as generous as the New Zealand measure.

There is another important difference. Suppose there are twin sisters sixty years of age, one of whom is living in New Zealand and the other in Canada. The one living in New Zealand is entitled to the old age pension, but the one living in Canada will have to wait, if she lives that long, another ten years before she is entitled to receive the pension. I should say that as another factor in favour of the New Zealand old age pension and its means test.

There is a great deal more that I could say in regard to this. In New Zealand neither the home nor the furniture owned and used by the pensioner, regardless of their value, is considered as part of the outside income. In Canada, if the situation has not been changed quite recently, if the assessed value of the home is over $2,500, the balance is computed along with any other income the pensioner may have, and the total of the annuity value from the pension. These are ways in which this pension scheme falls far short of the New Zealand plan, and also really falls short of a satisfactory plan for Canada.

I suggest to the minister—and he can do it now, because he did not mention any amount in the resolution—that he should put an amount in the bill for the wife of a pensioner when she is not eligible in her own right. I imagine that is why he left any stated amount out of the resolution. I realize that I am being generous, and perhaps more generous than I shall be before this bill is carried. I am sure that the minister put no amount in the bill so that he could, after he got an expression of views of hon. members, be able to increase the benefits in the bill. I suggest to him that he put a modest amount in this bill. I borrowed that phrase from a person who used to be a member of this house; he used the phrase when he was referring to the charges lawyers made for their services.

Mr. MacNICOL: You would not call them modest, would you?

Mr. MacINNIS: I would suggest that the minister put a modest amount in this bill where the wife or husband of the pensioner, as the case may be, has reached a certain age but is not yet eligible for the old age pension.

The minister made a great deal of the fact that in 1946—and I am giving the figures roughly as I remember them—the dominion paid $48,000,000 and the provinces paid $17,000,000 to old age pensioners. Then, strangely enough, in replying to the leader of the opposition he went on to show what a catastrophe it would be if this government were to assume the whole cost of old age pensions under this measure. Since the government already pays seventy-five per cent of it, and in view of the expression of opinion by the present Prime Minister in 1931, if the government assumed the $17,000,000 which the provinces are now paying and the additional $20,000,000 which the minister says the dominion will have to pay under this bill, making a total of $37,000,000, surely that will break neither the government financially nor the minister politically.

An hon. MEMBER: He is broke.

An hon. MEMBER: It might make him.

Mr. MacINNIS: After what the minister said in introducing this bill, by the time it is through I am afraid he will need certain rehabilitation. I am convinced of that and I should like to save him from it.

Mr. MARTIN: Thank you very much.

Mr. MacINNIS: The government can pay the whole amount of the pension without running into any of the dangers mentioned by the minister. I do not believe the minister was quite frank in his reply to the leader of the opposition as to why the government did not do something for those between the ages of sixty-five and sixty-nine. I have an idea, which I received from reading the green book, that the government did not do anything in that connection because they recognized that the provinces could not carry that load along with what they are carrying now; at least seven of the provinces could not carry half the cost of old age pensions of $30 a month to people from sixty-five to sixty-nine years of age together with the twenty-five per cent of the pension they are now carrying for those seventy years and over. I am quite sure that is the reason, because I believe the minister realizes it would be putting upon the provinces a burden they could not discharge. If the provision were put in the bill there would be a demand by the people in the provinces that it be implemented. Most of the provinces have already gone the limit in what they are able to pay, but the federal government has not gone the limit in what it is able to pay. Right on the first page of the proposals of the government of Canada to the dominion-pro-

vincial conference of August, 1945, referring to the preparations for a better Canada after the war, I find this:

> The preparations must be undertaken against the background of severe depression and the enormous dislocations of war. Under the conditions which existed for nearly a decade prior to 1939 the Canadian economy did not provide adequate opportunities for employment and enterprise; the deficiencies in the provisions for social welfare became strikingly apparent; the structure of government finance in our federal system developed basic strains and weaknesses. The war came before solutions to these problems were reached.

Then a little further on:

> The demonstration of the potentialities of the Canadian economy has been one of the outstanding features of the past few years. In a relatively short time national production was doubled. Nearly one-half of this greatly expanded output was devoted to war. In spite of this large effort, the general level of civilian consumption was not reduced, for the lower income groups it was significantly increased.

If we can do that—and we have done it—with 750,000 of our best producers taken out of production, there is no reason in the world why we cannot give the old people of Canada and those in the low-income groups generally a better break than they are getting under this bill.

Mr. BLACKMORE: Mr. Chairman, section 4 fixes the pension at $30 a month and prescribes the means test. This section, therefore, is practically a summary of the whole bill and reopens the whole question of the principle of the bill.

The DEPUTY CHAIRMAN: I would not want my hon. friend to take the attitude that it opens the question of the principle of the bill. The principle of the bill is not to be considered at all in committee; it was decided on second reading. I just want to draw my hon. friend's attention to that fact.

Mr. MacINNIS: May I just say that I think what the hon. member had in mind is the principle in this section of the bill.

The DEPUTY CHAIRMAN: Speeches in committee must be relevant to the clause under consideration, and as long as the hon. member keeps to the clause he will be quite in order.

Mr. BLACKMORE: I should like to give some attention to the adequacy or inadequacy of this $30 a month, and to the inadequacy of the means test. I desire to say something also with respect to the advisability or otherwise of denying the Indians the old age pension, which also is mentioned in this section of the bill. Later on, I should like to have something to say about the Indians, but at the moment may I give my attention to this matter of the $30 a month.

In my judgment, Mr. Chairman, this Old Age Pensions Act constitutes a contrite confession of abject ineptitude on the part of the government.

Mr. PROBE: I would not say it is contrite.

Mr. BLACKMORE: Well, there is a confession with no reservation. That is contrition, is it not? They just come before us and say, almost with tears in their voices, "We just cannot do any more. We have gone the limit."

Mr. GRANT: We give them what we promised to give them.

Mr. QUELCH: That remark indicates a very short memory.

Mr. BLACKMORE: There is another difficulty in connection with the bill. During this long and excellent discussion, many good points have been brought out. I have enjoyed every minute of the debate, listening to the various hon. members express their views and criticisms, and I wish to compliment the Chairman on the way in which he presided over the proceedings this afternoon. I thought he was wise in permitting an open discussion of the whole matter, because in my opinion, we shall make far better progress on this bill if that is done than if there is an attempt to restrict discussion. This matter of old age pensions is exercising this nation from coast to coast, in every hamlet, on every roadside, in every farm home. We cannot have this matter dealt with lightly.

During the discussion the minister made several references to the government's overall scheme, so I gather that this bill is part of an elaborate scheme on the part of this government for rationing scarcity. Where is that new order we heard so much about in 1941 and 1942? Dear me, anyone with any common sense at all knew the government could get money by taxing the very bread out of the mouths of the people; and that if they destroyed the financial independence of the provinces by taking away their taxation fields they could obtain a sum of money which they could ration out meagrely to certain extra-necessitous people. There is nothing new about that. They knew about it back in the days of Greece and Rome, and before that. What we were all looking for was a really new order; but anything the minister has said so far, and what he has given us in this bill, certainly do not encourage much hope for anything resembling a new order. As I said a moment ago, it is merely the rationing or

redistribution of scarcity. It represents a definite admission that it is impossible for the people of this country to have more than just so much, and that so much will depend upon the amount of money they happen to have, with no reference at all to the amount of goods they can produce. I have been astonished at the few times anyone during this debate has said anything about the $12,000 million worth of goods we Canadians can produce.

Mr. MARTIN: As my hon. friend knows, I would be the last one to interrupt him, but I think a discussion of ways and means by which money can be raised is not relevant to this bill or to this section. This section contains certain clauses and I think we should confine ourselves to them as closely as we can.

Mr. BLACKMORE: I appreciate the minister's kindness and I shall certainly do that very thing. However, the minister must remember those ringing words of his Prime Minister who said: "Usury once in control will wreck any nation; once a nation parts with the control of currency and credit, it matters not who makes the laws". He must recall those words many times with mortification and shame. When the Prime Minister made those remarks in 1934, and again in August, 1935, when he spoke to the Dominion of Canada over the radio from Ottawa, he certainly gave the Canadian people the idea that he had something in his mind better than what is suggested and outlined by this bill and its monstrous system of penalizing the Canadian people, robbing them of the things they have and redistributing their scarcity. We have had discussions this afternoon as to how many provinces have come in, as to making them pay their share, as to not being able to do anything until we get them all in and that kind of thing. I think I have said enough along that line. All hon. members who have been thinking along that line will admit that I am speaking for them.

Let us turn to what this bill actually does. It proposes to give our old age pensioners $30 a month. There appeared in the Toronto *Globe and Mail* in April, 1947, an article which has been referred to directly and indirectly several times. It states that $28 weekly in 1939-40 was equal to $53 today. I am not going into the question of whether or not those figures are right because I fancy they are, since the *Globe and Mail* I believe is rather dependable on a matter of that sort. I should like to point out what that, if it is true, means in regard to this bill.

If $53 today is the equal of $28 in 1939-40, it means that this bill is offering to the senior citizens of Canada who have passed their seventieth year, $15.80 a month in 1939-40 money. When he looks at the bill from that angle all the enthusiasm must die in even the minister's breast.

An hon. MEMBER: No funny money there.

Mr. BLACKMORE: That is just exactly where the funny money is. I do not want to discuss it, but I would point out that we are going to get to this question of money before long. Hon. members are bringing themselves right up against a stone wall. They are beginning to find out that the only thing they can do is to accept the minister's ideas or accept the idea of a different way of financing this country. It is certainly funny money we are using today when one dollar of it is only equal to—

The DEPUTY CHAIRMAN: Order. I should like the hon. member to tell me what paragraph of the bill he is dealing with.

Mr. BLACKMORE: I shall not talk any more about it if it is your determination to shut off any hon. member who attempts to offer a solution. Is that not the most grotesque situation? I shall simply tell you something about this bill.

The DEPUTY CHAIRMAN: If the hon. member will confine his remarks to section 4 of the bill he will be quite in order.

Mr. BLACKMORE: The discussion which we have had back and forth on section 4 which provides for $30 a month, has centred completely on where we can get the money. It has been a question of money, money, money. That has been in everybody's mind, and surely a little more discussion along that line ought to be in order. But if it is not, good enough. I am going to turn now to another aspect of the question. I might just say, in passing, that really funny money is such money as changes its value so grotesquely as Canada's dollars have done from 1939-40 to 1947.

An hon. MEMBER: Phony money.

Mr. BLACKMORE: Phony money too. I should like to offer some evidence to show how completely inadequate this bill is. I am glad the leader of the opposition referred to the situation in Manitoba. I have had a little experience with the good folk of Manitoba; I find they are very progressive and have for a long time been trying to get somewhere out of their difficulties. I have here some evidence which was gathered by an energetic group in Manitoba and which bears on the whole question of the adequacy of this $30 a month.

On April 15, 1947, a survey was presented by W. H. Sykes, Chester King and Mrs. L. Brett, who formed the executive council of the Winnipeg conference on the Old Age Pensions Act, Winnipeg and district trades and labour council. The findings of these people will be of interest to members of the committee. I quote:

The following resolution was adopted by a conference composed of the following organizations: church groups, trade unions, legions, community clubs, war amputations, guards association, service clubs, political groups, pension society, et cetera, held on February 25, 1947, at 165 James avenue east, Winnipeg, Manitoba.

The fact that those various organizations were so deeply interested in this matter is, I think, a good indication that a very wide and full discussion of old age pensions is completely in order. They go on to say:

Our organization is in full accord with and urges your immediate consideration for the enactment of the following amendments in the old age pension regulations:

1. Payment of pensions be made at 60 years of age.
2. That the only residential qualifications required be fifteen years in Canada.
3. That the system of a "means test" be abolished immediately.
4. That an increase be made in the present amount to at least fifty dollars per month.
5. That the same pension be made applicable to blind persons after they reach 18 years of age.
6. That the practice of combining the parents' maintenance act with the Old Age Pensions Act be discontinued.
7. That no deductions be made on account of other income.
8. That pensioners shall receive free medical attention and free hospitalization.
9. Inability to produce a birth certificate should not deter applicant from furnishing proof.

We consider the above measures require your immediate action.

It will be quite obvious to all hon. members that in advocating more generous provisions in our Old Age Pensions Act the members of the Social Credit group and the C.C.F. have certainly been in touch with the people of Canada. The brief goes on to say the following:

The Winnipeg conference on old age pensions which is representative of community, church, social, political, military and trade clubs and organizations in this city and a cross-section of people from every walk of life, is deeply concerned for the welfare of these elderly citizens and in an effort to alleviate their distress the conference interviewed individually the M.L.A.'s of the Manitoba legislature and then a delegation also waited on Mr. Stuart Garson, Premier of Manitoba, at which time the following brief was submitted:

Sir:

I have here the budgets of three people, one man and two women who are trying to keep body and soul together on the pittance of $25 per month allowed by the Old Age Pensions Act.

If we add the proposed $5 to what they were getting we must be still impressed by the inadequacy of the pension. It goes on:

I have also a food budget and diet for one person living alone which is the minimum amount required to maintain good health and strength, and finally a list showing the comparative costs of food at the time the Old Age Pensions Act was passed and of today. The figures are taken from the advertisements in the *Free Press* dated April 1, 1926, and April 1, 1947.

First the budgets of the pensioners:

No. 1, the budget of a man living alone, aged 77 years.

Room rent	$ 8.00
Laundry, soap, tobacco, etc.	2.40
Food	14.60
Total	$25.00

His diet:	Cents
Breakfast—milk and toast	10
Dinner—Porridge, milk, bread and butter	20
Supper—A sandwich of meat spread and on meatless days egg sandwich, and coffee	22
Daily total	52

or $3.64 per week or $14.56 per month.

He must depend on charity for his clothes or other necessities, and in order to conserve his strength he sleeps a great deal.

I think that will be lurid reading for the people of the future.

The man has not a chance in the world to go to a show or to have any amusements at all. He has nothing with which even to buy street car tickets, and so on, and so on. I said the other night that we were consigning our senior people to a restricted area of deprivation, and that is exactly what we are doing. It is obvious from that budget. Take the next one:

The second case is the budget of a woman 78 years of age, a spinster, living alone. She was formerly a domestic and has no known living relatives:

Rent	$9 00
Gas	1 00
Soap	40
Food	14 60
	$25 00

Her diet (She cooks her own meals):	
Breakfast: Porridge, toast and butter, tea	$ .15
Dinner: Meat, such as pork liver, bacon ends, kidney, heart, headcheese and brisket; one potato, one vegetable, such as cabbage, turnip or carrot; pudding or bread and jam	.25
Supper: Bread and milk or soup and crackers; apple or orange	.13
Total cost	$ .53

per day or $3.71 per week or $14.60 per month.

Her grocery list for a month:

Rolled oats, two cartons	$ .50
Milk, 1 quart per day	3.90
Butter, ½ pound per week	.70
Sugar, 1 lb. per month	.10
2 doz. eggs at 45 cents per dozen	.90
Meat (usually liver, bacon ends, kidney, heart, brisket or headcheese	2.00
1½ dozen oranges	.50
5 lbs. apples	.50
Bread	1.00
Soda biscuits	.10
Soup (10 cans)	1.00
Vegetables (carrots, turnips, onions, cabbage, potatoes	2.00
Tea, ½ lb.	.45
Jam, salt, pepper, flour, etc.	.95
Total	$14.60

Comparing costs with 1926 this same diet would have cost $10.51 per month, or in 1936, $8.75 per month.

Members will be interested to note that the people who have conducted this survey, have been very careful, factual and accurate.

It goes on:

The third budget is that of a lady of 90 years who lives in the home of a relatitve but cooks her own meals. She does not pay any rent, and many little luxuries are provided by the relatives as well as all necessary clothing.

Her budget is: Food, $23.52; laundry and miscellaneous, $2.60; total, $26.12.

	cost
Breakfast: 1 egg, bread and butter and tea	$0.13
Lunch: Bread and butter; cheese; cake	0.19
Dinner: Meat (steak, chop, sausage stew or cold meat); 2 vegetables, potatoes; bread and butter; dessert; tea, approximate	0.45
At bedtime: Milk and cookies	0.07

Daily cost: $0.84; weekly: $5.88; total for month: $23.52.

You will notice that this diet is much better than the other two but still does not include sufficient fresh fruit. In 1925 this lady's grocery bill for the month would have come to approximately $14.25.

Sir, I have asked the opinion of not one but three qualified dietitians what they thought of these diets. Their comments were: "Impossible"; "Slow starvation" and "Extremely poor to maintain proper health."

Curious as to the actual cost of foods and rents at the time the Old Age Pensions Act was passed, I went to the *Free Press* library and copied the prices from the advertisement of a chain store of that day, April 1, 1946, also checked on the same stores' prices in 1936 and again in 1947. I shall not quote the 1936 prices except to say that good board and room could be had in the middle class residential districts for $16 and $20 per month including washing, and the use of the telephone.

Here is the minimum balanced diet for one person. If the cost seems out of proportion to the budget for a family of three or four, consider that one person living in a furnished room cannot buy in large quantities and usually has only a hot plate to cook on.

Breakfast:—

Remember, this is the minimum required for health.

Breakfast: Orange or tomato juice cereal with milk and sugar, toast with butter and jam, tea or coffee, cost approximately	20 cents
Lunch or supper: Soup and crackers 1 egg or piece of fish, green salad, milk pudding or cookies, tea or coffee, cost approximately	30 cents
Dinner: Meat (must be something which can be fried, or stewed due to lack of an oven, or perhaps cold meat. Liver, beef or lamb stew, steak or chop); potatoes, carrots, peas, turnips, spinach or other green or yellow vegetable, fresh or cooked fruit, or a fruit pudding, cake or cookies, tea or coffee or milk, approximately cost	48 cents

Approximately 98 cents per day.

The pathetic aspect of this whole situation is that that diet, which is the minimum required for health, costs every cent of even the proposed new pension and leaves hardly one cent for any other thing. It costs ninety-eight cents a day. This is what we are prescribing once more for the senior citizens of Canada.

I have a list of prices of a number of different items in 1926 and in 1947 showing increase in prices. I think it would be much better if I did not trouble the committee with reading them if I might have consent to put them on *Hansard*. I believe that a good many members would like to read this list on *Hansard*.

The DEPUTY CHAIRMAN: Has the hon. member permission to put the list on *Hansard?*

Some hon. MEMBERS: Agreed.

Mr. BLACKMORE: Thank you, Mr. Chairman. Here is the list:

Grocery list for the week with comparative prices for 1926 and 1947:

List	1947 price	1926 price
½ lb. butter	$ .21	$ .25
Small jar jam	.25	.10
¼ lb. sugar	.02	.01
¼ lb. tea	.25	.12
1 doz. oranges	.45	.45
Cereals	.15	.15
Bread (4 loaves)	.28	.28
Soup (4 cans)	.40	.31
1 doz. eggs	.45	.30
1 cabbage	.15	.15
Carrots	.05	.03
Turnip, parsnips, etc.	.10	.05
1 lettuce and bit of celery	.15	.15
Milk, 8 pints	.72	.65
Meat, 2½ lbs.	1.25	.35
Fish, 2 lbs.	.60	.20

List	1947 price	1926 price
Potatoes, 3 lbs.....	.10	.05
Cake	.20	.10
Cookies	.15	.10
Canned fruit or dried fruit	.70	.25
Misc. salt, pepper, corn starch, flour, etc.	.25	.22
	$6.88	$4.27

Total for the month: 4 x $6.88 for 1947—$27.52
Total for the month: 4 x $4.27 for 1926—$18.28
Difference ..... $ 9.24

Comparative figures for foods in 1926 and 1947, as advertised in the *Free Press* of those dates April 1, 1926 and April 1, 1947.

Item	Date 1926 —Price	Date 1947 —Price
Veal chops .....lb.	$0.18	$0.45
Round steak .....lb.	0.11	0.44
Beef sausage .....lb.	0.08	0.28
Pork sausage .....lb.	0.12½	0.44
Beef liver .....lb.	0.06	0.26
Finnan haddie fillets, lb.	0.12	0.35
Pickerel fillets .....lb.	0.12	0.24
Chuck roast of beef, lb.	0.08	0.32
New laid eggs or A large .....doz.	0.30	0.42
Butter .....lb.	0.49	0.42
Tomatoes, per tin.....	0.15	0.15
Navy beans .....lb.	0.05½	0.19
Cheese, old Ontario, lb.	0.48	0.52
Bananas .....lb.	0.12½	0.15
Oranges, med. size, doz.	0.45	0.45
Sugar 10 lbs. 69c....lb.	0.07	0.10
Raisins .....lb.	0.15	0.27
Prunes, 30 to 40's, lb.	0.12½	0.27
Apricots, dried .....lb.	0.18	0.55
Peaches, dried .....lb.	0.12½	0.40
Bacon—back bacon..lb.	0.38	0.57
Tea .....lb.	0.58	0.90
Coffee .....lb.	0.50	0.35
Rolled oats—carton....	0.28	0.25
Apples .....lb.	0.05	0.12½
Milk .....quart	0.12	0.13
Bread, 16 oz. loaf.....	0.07	0.07
	$5.55½	$9.07½

You see how painfully price increases have borne upon those of slender incomes, especially pensioners.

I thought it was fitting that we should know what we are doing for the people in Winnipeg when we pass this bill as it stands. I do not believe that conditions would be a bit better in any other city throughout the country from coast to coast. I am not going to talk about money reform at the present time, but I submit that if we cannot do anything better than this bill under the present financial system, it is high time that we went to work to remedy our money system. If Canada could not produce all these things required in abundance, produce all the food and all the clothing and all the shelter required; if there were not an over-supply of all these things; if the men who produce them were not eager to sell them in Canada, it might be different; but the simple fact is that we can produce in abundance all these things which the senior people need, and various other commodities, much of which will lie idle on the shelves or go to waste if they are not used by the senior citizens. How can we possibly forgive ourselves for denying our people access to these abundant things which Providence has equipped us so amply to produce?

Mr. JOHNSTON: There is no excuse.

Mr. BLACKMORE: There can be no possible excuse. Yet that is exactly the sort of thing we face in this house. I shall say very little more. I have been thinking of a little piece of poetry that I have not been able to get out of my mind all during the days that we have been talking of old age pensions. These lines I think everybody has loved. They are from Browning. They go like this:

> Grow old along with me.
> The best is yet to be,
> The last of life, for which the first was made.

In the light of what I have read here, in the light of this bill, there is a terrible lot of tragedy and pathos in these lines. For our present elderly people there is no possible chance of having the last of life better than the first. They cannot even maintain that health and vigour which would enable them to go and enjoy life if they had the opportunity. Having said that, I shall desist from further discussion.

I believe that every hon. member who is listening to me—and they are listening so sympathetically, for which I express the greatest appreciation—feels exactly as I do about this matter. Then why do we not do something about it? We cannot do anything about it by continuing to discuss the matter in terms of the present financial system. The leader of the opposition, when he was questioning the minister a while ago, called him to task because he was not doing what his government promised to do two years ago. During the questioning the leader of the opposition did not tell the committee where he himself could get any more money in order to do the desirable things, if he were in power.

When I was a boy and began talking about the fine things we were going to do my father used to say, "Son, talk is cheap but it takes money to buy whiskey." I would say to the members of the Progressive Conservative party, talk is cheap but it takes money to buy whiskey.

Mr. SMITH (Calgary West): You said something.

Mr. BLACKMORE: If you cannot tell where the money is to come from you had

better not indulge in too much talk. If I did not have some ideas as to where we could obtain more money I would not stand before the committee and spend any time in complaining about the conditions we now endure. When you remember the abundance we are producing and are able to produce it is so obvious that we do not need to make our old people suffer in this ghastly way. And so I make bold to urge every once in a while upon the house. Surely something can be done. With that remark, Mr. Chairman, I close for the present. Surely something must be done.

Mr. HARKNESS: The speech of the hon. member for Lethbridge has given me quite a number of ideas. He said that it takes money to buy whiskey. I have often wondered how the old people get along and can ever get a drink, as a matter of fact, on the amount of money that they receive.

I want to address myself particularly to subparagraph (iii) of paragraph (a) of section 4 of this bill which reads as follows:

is not an Indian as defined by the Indian Act.

In other words, I want to speak briefly about the only class of people in this country who are now excluded from receiving old age pensions. These people are, of course, the original inhabitants of the country, the Indians.

Listening to the hon. member for Lethbridge recite his long list of food stuffs of various kinds and following that up with a small piece of poetry, I was reminded of a jingle from Shakespeare's "King Lear" which was constantly repeated by the half-mad beggar Tom. Everyone who has read that drama will remember that Tom went around constantly chanting:

But mice and rats and such small deer
Have been Tom's food for seven long year.

As a matter of fact I think it is practically and actually applicable to a lot of our Indians.

Mr. BLACKMORE: Hear, hear.

Mr. WARREN: Not mine.

Mr. HARKNESS: Why these people, of all the people of Canada, should be excluded from the benefits of the Old Age Pensions Act I have never been able to understand.

This afternoon, in replying to the hon. member for Broadview, the minister said that there were great difficulties in applying the Old Age Pensions Act to the Indians, because the provinces administered the act and, of course, they would not make any contributions so far as the Indians were concerned, since the Indians are the sole responsibility of the dominion. I should like to tell the minister that if he disregards any provincial contribution whatever and gives the Indians only the amount of the dominion contribution, namely, $22.50, they would be extraordinarily grateful for it. The present situation in which they find themselves is that they get relief in kind in the form of a certain amount of hard rations, amounting on the average, I believe, to around $5 a month. Why the aged among the Indians should be forced to continue on that scale of relief in their old age, while people who came to this country and, as the changes in the act provide, never became citizens, never learned either of our official languages and so forth, are now eligible for the old age pension, is something I cannot personally understand.

At the beginning of this parliament in 1945, I introduced a resolution into the house calling for the payment of old age pensions to the Indians. Everybody who spoke on that resolution—the debate continued all day—including the Minister of Mines and Resources who closed the debate, expressed himself in favour of paying old age pensions to the Indians, including a large number on the government side of the house. The resolution was talked out.

Following that, the joint committee of the Senate and the House of Commons which is considering the Indian Act at the present time, passed a resolution requesting that old age pensions be extended to the Indians.

Mr. MARTIN: Did they not ask us to consider the desirability?

Mr. HARKNESS: The minister may split hair as much as he likes, but actually the joint committee's intention was that the pension should be paid to the Indians, and the minister knows it.

The DEPUTY CHAIRMAN: Order. That matter is before a special committee.

Mr. HARKNESS: The report was presented to the house and accepted so far as that particular matter is concerned; therefore I think I am in order.

The DEPUTY CHAIRMAN: That is right.

Mr. HARKNESS: The house accepted the report, and therefore I take it that the house as a whole is in favour of extending old age pensions to these people.

I should like to ask the minister what consideration he and the government have given to this resolution which was adopted by the house. He said that it was merely a request for consideration. I should also like to ask him what consideration has been given to giving the Indians the dominion's share of the contribution, in other words $22.50 a

month, because even that limited amount would go a long way toward settling the problems and the difficulties of the Indians.

I do not think it helps much for the minister to say, as he said this afternoon, that the Indians receive other help and that they are in a special situation and so forth. It is quite true that they are in a special situation, but what is the use of being in a special situation if it only entitles you to be semi-starved to death? You would be much better out of that.

The minister said that any Indian can apply for enfranchisement if he wishes. That is quite correct. He can, but it does not mean that it will be granted. As a matter of fact, before an Indian can be enfranchised he has to show that he is likely to be self-sufficient, so that the old Indians who might wish to be enfranchised in order that they can get the old age pension will not be accepted for enfranchisement. Enfranchisement will not be granted to them because they cannot show that they are likely to be able to support themselves. In view of all these things, I would ask the minister to give any reasons, other than the specious ones which have already been given, as to why these people continue to be excluded alone among all the people in Canada, from the benefits of the Old Age Pensions Act.

Mr. CAMPBELL: Perhaps the minister can answer when I get through because I want to speak along the same line. If a private member could move an amendment in the manner I would suggest, I would move that line 32 in section 4 be repealed. As the member for Calgary East said, we are excluding from the benefits of this act a group of people who are in far greater need than any other group in Canada. We have heard the hon. member for Lethbridge read lists of foodstuffs that can be bought on the present pension, but these Indians have practically no money. The little bit of relief they do get amounts to about $3 a month, perhaps a little more now. That is however, what it used to be. These people are almost starving slowly to death. I do not see why the minister could not have included them in this bill, for the reason that when the former minister of health and welfare brought in the family allowance the Indians were included and they received the benefits of that allowance. As the hon. member for Calgary East said, we have had a committee set up here, and they have held many meetings and have worked hard and have listened to the stories

[Mr. Harkness.]

of the Indians and the terrible needs of the old people among them. That committee brought in its recommendations and moved unanimously that pensions should be given to the old Indians.

In the other chamber on Wednesday, May 7, the joint committee of the Senate and the House of Commons submitted its report.

I quote:

> The joint committee of the Senate and the House of Commons appointed to continue and conclude the examination and consideration of the Indian Act (Chapter 98, R.S.C., 1927), and all such other matters as have been referred to the said committee, beg leave to make their third report, as follows:
>
> Your committee unanimously recommend that the government give immediate consideration to the advisability of granting old age pensions to Canadian Indians.

On Wednesday, May 7, 1947, the same third report was presented to the House of Commons:

> Your committee unanimously recommends that the government give immediate consideration to the advisability of granting old age pensions to Canadian Indians.

This was concurred in on the 12th day of May. The minister said that they did give consideration, that the report only asked him to consider. But I think the committee, after listening to the story of these Indians, felt that the government should give the benefit to the older Indians. In the *Globe and Mail* of June 16, 1947, I find a short article dated Vancouver, June 15, Canadian Press, as follows:

> The welfare and training branch of the Department of Indian Affairs will recommend that native Indians receive old age pensions and mothers' allowances, and that welfare officers be appointed for each Indian reserve in Canada, it was said tonight.
>
> George Fellowes, schoolmaster on the Chilliwack reserve, about 50 miles east of here, said he had received that information in a letter from Col. B. F. Neary, head of the welfare and training branch at Ottawa.

I suggest that all the different organizations that are in any way connected with Indians realize the terrible poverty they have to go through, and I believe the government is remiss in its duty when it does not extend the benefit to the Indians. The minister should give a better reason than that which he gave just before the supper hour why the Indians are not included in the act.

Mr. CASTLEDEN: I wish to add a thought. Sub-paragraph (iii) of paragraph (a) of subsection (1) states:

> is not an Indian as defined by the Indian Act.

Under the Indian Act, all Canadian Indians on reserves are considered wards of the gov-

ernment. The manner in which the governments of Canada have fulfilled their obligations to these wards can be debated later, but studies of the living conditions among these people reveal that a large majority of them are living in a shocking state of want, disease and poverty. I have made a study of conditions among them, and I can say that, especially among the aged Indians, the problem is a severe one. In Norway House I saw an aged blind widow on a reserve who had to go every couple of weeks to an agency to get a small ration of flour and salt, scarcely enough to keep body and soul together. The extension of the benefits of this act to the older Indians would be one of the greatest acts of humanity we could perform at the present time, and I know of no group who are in greater need. I know the officials of the department would welcome this. I believe the Canadian people would support this move if they really knew the conditions among the Indians. It has been proved further that members in every party on both sides of the house would support it.

I think the clause should be deleted for another great reason. It draws one more line between the Canadian people and this group of 130,000 people who are placed on reserves, a minority people who have been segregated on these reserves and relegated to an inferior position. That should not prevail in Canada.

I believe the Canadian people will support the move to raise the Indians to higher standards and give them an opportunity for a fuller life, but this clause widens the gulf and there is plenty of evidence to show that these people do not trust the whites who have placed them in that position. They have reason to distrust the whites on account of their actions in the past, and at this time particularly such a move as has been suggested would be the part of statesmanship toward a people who are potentially great. In Canada we claim that all the people have the rights of the democracy, and it is shameful that these people should be placed in a position where they have very little opportunity for redress, practically no voice, and very little in the way of an appeal against the injustice under which they may suffer or think they suffer.

I plead with the minister to consider carefully the withdrawing of the provision to which I have referred. If he will do that it will form the basis on which these minority people can start to build up their trust, and it will restore faith on the part of these people in Canadians who have relegated them to a position of inferiority.

Mr. MARTIN: The point discussed tonight with regard to our Indian population is a problem with which, I am sure, every member in this house will have full sympathy. This bill can only deal with that class of Indians who are within the enfranchised group. A thorough study is being made by the Indian affairs committee, not only with regard to old age pensions for Indians, but equally with regard to the whole problem of the health, welfare and education of Indians. I know the hon. member for Davenport is greatly interested in that subject; he has discussed it with me. The government is looking with great interest to the work of that committee. What it proposes to do with regard to the Indians will be done at the right time in a special measure; and I think the problem should be dealt with as a special problem. We are studying the work of this committee in all its features. When the committee has made its report and when certain other studies which are being made, such as surveys in the field and the like, are completed, we shall be in a position to deal, not only with old age pensions for Indians, but with the broader aspects as well.

Mr. HARKNESS: There is one flaw in what the minister has said. He said when they—and I understood that he meant the government—received the report of this committee which is now considering the Indian Act, they would deal with it. But they have already received an interim report recommending that the Indians get the old age pension. That was one of the questions I asked when I first spoke on this subject. I asked what consideration had been given to this report and why the government had not seen fit to implement it.

Mr. MARTIN: The reason I have already given. We wish to deal with the Indian problem as a whole. The hon. gentleman is a member of that committee; and, as he knows, the problem is much more than that of old age pensions for the Indians. We intend to deal with the problem as a whole. This bill is merely an arrangement by which we provide assistance for the maintenance of the aged, through grants, as it were, made to the provinces, seventy-five per cent of which cost we assume and they assume twenty-five per cent. The Indian, on the other hand, is our full constitutional responsibility. It is in the light of that that we are following the deliberations of the committee, not only with respect to this one matter, but with respect to the whole matter of the health and welfare of Indians.

Mr. HARKNESS: That was the story that was produced in 1945, when the resolution

to give the Indians the old age pension was introduced. That was the story the government put up then, namely, that the whole Indian question was to be referred to a committee or a royal commission; at that time it had not been decided which it would be. Following the deliberations of that body, their entitlement to the old age pension, along with other matters, was to be settled. That was two years ago. I consider it extremely unlikely that this committee will finish its work, get its report in and have it implemented for another two years. In the meantime the Indians are suffering. I do not think it is good enough for the minister to rise and say, "As soon as we have studied all the broad aspects of this thing, we shall be able to make a decision." The very fact that this committee, which has now spent two years in studying the question, has made an interim report recommending that the old age pension be paid to Indians, should be good enough as far as that particular aspect of the question is concerned. I do not think it is necessary for the government to wait any longer before taking action on that particular phase. This excuse, as I would call it, which the minister has been putting up, namely, that we must wait for the committee to finish its work in order to consider the entire broad question, is an extraordinarily flimsy excuse, and one which he and the government should not for a moment attempt to rely on.

Mr. JACKMAN: Certain aspects of the means test have, in my opinion, not been satisfactorily dealt with. I, of course, am one who believes firmly that the means test should be abolished just as soon as possible. One cannot be unaware of the fact that it would cost a great deal of money in addition to what is being spent already if we did abolish the means test. Perhaps it would cost twice as much; perhaps it would cost three times as much, or even a little more. However, there are certain aspects I wish to point out which I think should be considered.

In the first place, before the minister brought down his bill, the amount of outside income which was allowed to an individual was $89 a year for a single person. For a married couple it was $178. With the effect of the addition which the minister has made, plus the addition which has been made in the province of Ontario, the amount of outside income which is allowed is only $120 for a single person and a like amount for a married couple. In the case of a married couple the outside income which is allowed is actually less today than it was before the minister brought in his bill. That has come about in two steps. When the minister first brought in his measure a married couple would have been allowed to have outside income of $318 a year. But with the addition to the allowance made by the Ontario government, the amount of outside income which a married couple can have is $120 a year.

Mr. MARTIN: Are you not including the supplement as income?

Mr. JACKMAN: Yes, I am including the supplement as income.

Mr. MARTIN: But you must not do that under the regulations. Supplements are not part of the income. It is not considered as outside income. I refer the hon. member to regulation 16 (c).

Mr. JACKMAN: Am I to understand that in the limitation on the total income of $600 for a single person and $1,080 for a married couple, you do not include the supplement? It is just the bare pension?

Mr. MARTIN: Regulation 16 (c) reads as follows:

> In determining the income of any pensioner for the purpose of the act, the pension authority shall take into account the amount or value of all income and contributions, whether in cash or in kind, received by the pensioner, other than
>
> (c) cost of living allowances or supplemental allowances paid by any province to persons in receipt of pensions under the act.

Mr. JACKMAN: I have not a copy of those regulations. The minister was not able to get me one earlier in the day.

Mr. MARTIN: I sent the hon. member one.

Mr. JACKMAN: I did not get it. In the minister's introductory remarks on this bill I understood him to say that the limitations of income of $600 for a single person and $1,080 for married couple, which constitute an increase over the amounts previously obtained, included the pension. I inferred that it also included any supplement which the province might make. In Ontario a person will now be receiving $40 a month; that is, $480 a year. How much outside income will he be allowed to receive in order to bring him up to the maximum of $600 for a single person?

Mr. MARTIN: I have not the details from the provincial government; but, as I said this afternoon, it will depend upon whether the extra $10 over and above the $30 amount is paid as pension or supplement.

Mr. JACKMAN: I want to be clear on some of these things.

Mr. MARTIN: I am not responsible for statements issued by a provincial government. I have not yet had before me the full details of the Ontario plan.

Mr. JACKMAN: It makes a tremendous difference to your act.

Mr. MARTIN: That is something over which I have no control. That is a matter which is within the jurisdiction of the provincial government.

Mr. JACKMAN: Why does the minister not get on the telephone right away and find out, because it will affect the revenues and everything else?

Mr. MARTIN: That is a matter which is under provincial jurisdiction.

Mr. JACKMAN: Has the minister asked for the information yet?

Mr. MARTIN: Regulation 16 (c) allows a province to make a supplement as large as it wishes, without affecting the position under the bill. Section 16 (c) is one of the regulations passed, not only by this government, but by the nine provincial governments late in November at the meeting of the interprovincial board.

Mr. JACKMAN: But there is an effective limit of $600?

Mr. MARTIN: This applies only to the pension, plus income as defined in the regulations, excluding provincial supplement, as I have said.

Mr. JACKMAN: I must say I am very much confused between what constitutes pension and what constitutes supplement. I do not think anyone in the committee knows which is which.

Mr. MARTIN: In the agreements we shall conclude with the provinces they will name the pension, as they may under section 2 of this bill. The supplemental allowance, if any such is paid, will come within the purview of section 16 (c), which includes quite a number of things: mothers' allowance; family allowances paid pursuant to the Family Allowances Act; pay allotted or assigned by a member of the naval, military or air forces of Canada, serving on active service, where no dependents' allowance has been awarded in respect of the pensioner or the spouse of such pensioner; direct relief in an amount approved by the pension authority if paid out of moneys provided only by the municipality or the province in which the pensioner resides, or by both; casual gifts; contributions other than for ordinary maintenance to pensioners who require special care; any amount received by a pensioner in receipt of a pension in respect of blindness under the act for the purpose of obtaining the services of a guide. These items received by the pensioner are excluded from the calculation in determining the income of any pensioner for the purposes of the act. I think my hon. friend will see the significance of that and the impressive proportions it might reach.

Mr. JACKMAN: In connection with the amount of $3, call it supplement or pension as you wish, that Ontario has been giving in recent years, is that pension or is it supplement?

Mr. MARTIN: That is supplement; it is outside the income.

Mr. JACKMAN: That does not come into the calculation of the maximum under the old limits?

Mr. MARTIN: That is right.

Mr. JACKMAN: And we do not know the position in regard to the $10 recently announced by the Premier of Ontario?

Mr. MARTIN: I cannot say any more than I have said.

Mr. BLACKMORE: Before we get too far away from the discussion of the Indians, I should like to say just a word or two on that point. I have had the privilege of being a member of the joint committee on the Indian Act for two years. My interest in the Indians has always been great, but it has been tremendously increased as a result of the work of that committee. I wish to say just a word in support of the proposition that Indians should receive the old age pension. I do not think the explanation given by the minister is at all satisfactory, and I want to associate myself with the able remarks of the hon. gentlemen who have already taken part in the discussion of this matter, and to say once more that the Indians should be given the old age pension right away. Too many Indians are growing old and will die before we get around to taking care of them by all these measures the minister has mentioned. It will take probably twenty-five years to get the whole Indian population rehabilitated to the point where the aged people will have the chance our white old people now have. What are they to do in the meantime?

Just to show that there is considerable feeling among people who are in a position to be good judges on this matter, I should like to quote two or three statements from briefs which have been submitted by bodies of people whose opinions should be given some respect. The United Church, after having a good deal of experience with the Indians, had this to say in their brief:

The United Church is of the opinion that there is no reason why the Indian people should not participate in any old age pension scheme

set up by the dominion government; and is of the opinion that, in the administration of the scheme, the same conditions should apply as in respect to the old age pension scheme generally, with such modifications as may be necessary to meet the difference in status of the Indian people—that is to say, without provincial contributions.

The Roman Catholic church, after having wide experience with the Indians, as everyone knows, had this to say:

It appears to us both fair and desirable that this phase of social legislation—

They were speaking of old age pensions.

—should be extended to the aged Indian who would thus be assured of a definite amount for his declining years of life.

A great many Indian groups presented their case before the committee; in practically every instance those people asked for the old age pension. They asked this simple question: Why should we not have the old age pension? Is there any reason why we should not have it? I have not been able to find that a satisfactory answer has been given to that question. They should have the old age pension; and, as I said before, I want to join with those who have advocated that they be given it.

Mr. ROSS (St. Paul's): I wish to say a word or two about section 8 (a) (ii), which is in section 4 of this bill. That section reads:

. . . if such person

(ii) has resided in Canada for the twenty years immediately preceding the said date or if he has not so resided, has been present in Canada prior to such twenty years for an aggregate period equal to twice the aggregate period of absences from Canada during such twenty years . . .

As I see it, the two parts of that clause do not coordinate at all. The first part deals with the question of twenty-year residence. The second part deals with the period prior to twenty years. If a person has not been here for twenty years, then the twenty-year period has nothing whatever to do with him. For instance, if a person had resided in Canada for fifteen years before reaching the age of seventy, that person would have to wait for another five years before he could get his pension, because the second part of the clause does not work in with the first part at all. Perhaps the minister would explain it.

Mr. MARTIN: I think the clause is satisfactory. The law officers believe so, and they think it satisfies what we had in mind. It will admit to pension persons who might have lived most of their lives in Canada but who, because of absence from the country for a number of years in the latter part of their lives, say between the ages of fifty and seventy, are at present debarred from pension. We all know of many such cases among older people living along the United States boundary, who perhaps go to that country for a few years; and, not having lived here continuously for twenty years find themselves barred. This provides a way to overcome that anomaly if the applicant can show that for every day of absence during the twenty years, he had double the period of residence in this country before the twenty years. In this way we are enabling a great many people who have lived here, worked here and paid taxes here, to get the benefits of this legislation in spite of their absences during that twenty-year period. I think this will commend itself to the committee.

Mr. ROSS (St. Paul's): I do not think this clause says that at all. The two parts do not seem to coordinate. They are quite separate; one has to do with the period of twenty years and the other with the period prior to the twenty years.

Mr. MARTIN: That is right; that is what we intended.

Mr. ROSS (St. Paul's): But a person who lived here for fifteen years before reaching the age of seventy will have to wait for another five years.

Mr. MARTIN: No, provided that in the period before his seventieth birthday, that person lived here for a period of ten years, which would be twice five; then he would be able to qualify.

Mr. ROSS (St. Paul's): I do not think the clause says so.

Mr. LOW: I believe the minister has done a good job in changing that qualification.

Mr. MARTIN: May I thank the hon. member; that is the only bit of encouragement I have had today.

Mr. LOW: May I now ask the minister to say whether or not any move has been made to reach reciprocal agreements with other British countries, namely the other members of the commonwealth, for the payment of pension to their citizens who may come to Canada or our citizens who may go to their countries?

Mr. MARTIN: An exploratory conference met in London on May 15. It has not concluded its work, and will not conclude it until some time later, too late for us to deal with the matter in this bill.

Mr. LOW: I am sure the minister knows that a good many old people have come to Canada from British countries who cannot

make application for pensions because no agreement for reciprocal payments has been made.

Mr. PROBE: Like the hon. member for Peace River, I should like to make the minister smile by saying one word of approbation about the measure we are discussing, but I cannot think of one thing to say at the moment and I know he will excuse me for not being eulogistic. I have not spoken on this bill either in the resolution stage or on second reading, and I do not propose to take up much time of the committee. However, there are a number of things in connection with section 4 which have not been covered and which, I think, give me an opportunity to speak.

I wish to preface my remarks by saying that there is unquestionable disappointment in my riding over the measure the minister has seen fit to present. The amount is considered inadequate, and there is disappointment over the fact that the government is still paying only seventy-five per cent of the pension up to $30 a month. They are disappointed over the age at which the benefits start and they are disappointed also over the provisions for supplementary income. There is, further, a definite disappointment in regard to the heavy administrative cost to the provinces, incurred on account of this provision. If that provision were eliminated it would not cost the Canadian people anything.

The minister has said that a supplementary income of $240 would be allowed in the case of a single pensioner without a deduction from the maximum payment which the dominion government is prepared to make. In that connection I should like some clarification on three points. In Regina a programme has been instituted by the provincial government to build shelters for older citizens and that programme is being extended this year. Undoubtedly this shelter will be given to citizens who are receiving pensions at a nominal cost. Does the minister propose to assess the value of shelter given as supplementary benefits by my province as income? Undoubtedly this will be true also of other provinces which may adopt the same programme.

Mr. MARTIN: Could we wait until we get to section 8, regulations, which deals with that sort of thing?

Mr. PROBE: I am quite prepared to let that rest at the moment, but the means test is being discussed and I thought I would bring up this matter at this time. I am suggesting it to the minister and he can answer it on that section if he desires.

Mr. MARTIN: I will.

Mr. PROBE: I would ask the same question in regard to medical care provided for pensioners by provincial or other authorities.

Mr. MARTIN: That is not counted as income.

Mr. PROBE: That is fine. Then a provincial government may supplement the $30 provided jointly by the dominion and the province? To my mind, the present means test is a deterrent to an industrious or thrifty older citizen trying to make some income.

Mr. MARTIN: That is the very question the hon. member for Rosedale asked. If the province pays a supplement over the $600 it is not calculated as income. I have said that three times. It is a most important point.

Mr. PROBE: I am afraid I did not get it. Perhaps I am a little thick in the head like the minister said he was this afternoon. I should like some information on the cost of administration of the Old Age Pensions Act. This section gives the government authority to pay seventy-five per cent of a $30 maximum pension payable jointly by the province and the dominion, but nowhere in the bill is there any reference to the cost of administration which, I imagine, is considerable.

This afternoon the minister presented a table giving the cost of pensions to the federal government and the provinces. I had a similar table from the *Labour Gazette* which I intended to quote. The *Labour Gazette* of May, 1947, indicates that from the inception of the Old Age Pensions Act the total dominion government contribution has been just under $424,000,000. I am inclined to compare that with the annual interest charges paid by this government and, when I do that, I submit that we really have not done very much for which we can take credit.

Right here perhaps I can hand the minister one bouquet. He is asking for only $54,006 for the administration of old age pensions and pensions for the blind. It is quite evident that the cost of administration of old age pensions across the dominion far exceeds that amount. Could the minister indicate the annual cost of the administration of the Old Age Pensions Act, how much is paid by each province and how much by the federal government? I feel quite certain that the provinces are contributing a great deal more annually toward old age pensions than is indicated by the table which the minister was good enough to place on the record this afternoon.

Mr. MARTIN: The total cost of administration for all provinces is $1,004,234.32 as of the last date. Under the agreements the cost of administration is paid entirely by the provinces. The figure I have just given is broken up among the provinces as follows, and I shall give only round figures:

Alberta	$ 46,000
British Columbia	105,000
Manitoba	45,000
New Brunswick	70,000
Nova Scotia	88,000
Ontario	251,000
Prince Edward Island	11,000
Quebec	316,000
Saskatchewan	68,000

Mr. MacNICOL: Is that paid by the federal authorities?

Mr. MARTIN: No, by the provinces.

Mr. PROBE: Would the minister permit one question with respect to the administration of the Old Age Pensions Act?

Mr. MARTIN: That could come under section 8.

Mr. MACDONNELL (Muskoka-Ontario): I should like to revert to the subsection dealing with Indians in order to make one comment. I was not on the Indian affairs committee and I shall be very brief. As I understand it, the interim recommendation which the Indian affairs committee made will not be carried out in this bill. The minister stated, if I understood him correctly, the government purpose dealing with the Indians in a comprehensive manner and do not consider it appropriate to deal with them in this bill. That may or may not be right; I am expressing no opinion, but, as matters stand now, people of the Indian race over seventy years of age get a mere fraction of what they would get if they were entitled under this bill. If that is correct it is shocking to me that we should allow this bill to go through without some interim arrangement being made for the Indians. It means that we are dealing with voters and ignoring the non-voters, and we may well have a situation which our own committee has said is a shocking one. I understand, from what the minister said, that the Indians will not be dealt with this year and, it has been suggested, perhaps not for two years. It is not right for people like ourselves to allow that situation to happen.

Mr. CASE: I wish to say a word on behalf of the Indians because they have very little opportunity to speak for themselves. As the hon. member for Muskoka-Ontario has said, they do not vote; they have no franchise. The minister has admitted what is, of course, a fact, that the Indians are the wards and the responsibility of the federal government. The government having admitted that, it seems a downright shame that it is neglecting practically its only direct responsibility in this matter of pensions. The Indian affairs committee approved an interim report in favour of old age pensions for the Indians, and subsequently delegations of Indians complimented the committee on having rendered the Indians this service. They said it was the finest thing we had ever done. I can imagine, therefore, the disappointment and frustration which will be bound to prevail amongst the Indians in Canada when they find they are not to receive this recognition. I appeal to the minister not to wait until the committee's exhaustive report is made available to the house, because I am only now beginning to appreciate the length of time it is bound to take, and to leave the Indians long in doubt as to their future security in their advancing years is not fair to them.

I would remind the minister that we have now in the Indian affairs branch a complete administrative set-up to make whatever contribution parliament decides to make by way of old age pensions to the Indians. There are representatives on practically every reserve, inspectors for the various provinces and a complete staff of officials, and it seems to me that this would be the ideal moment, in this particular year when Canada is celebrating the eightieth anniversary of confederation, to make this contribution to the welfare of the first citizens of this country. I do not believe it could be done simply by striking out the phrase "is not an Indian", because that is repeated elsewhere in the bill. I believe it could be done by introducing a supplement, and I am sure, from the sentiments expressed here, it would be approved rapidly if it provided for the Indians only $20 a month. It would give these unfortunates some sense of security. They are now receiving a pittance of only $5.60 a month to supply themselves with food and clothing and fuel. They have their shelters and they are not subject to tax. We know from experience how much the family allowance has been appreciated by the Indians. It has made a contribution to their educational and general welfare, but the aged Indian is being neglected. They are our oldest citizens. We have only about 130,000 Indians all told, and the number of them seventy years of age and over cannot be very large. Parliament should not be satisfied to prorogue without making some provision for these oldest of our citizens. They are expecting the pension because of the publicity that was given to the interim report of the Indian affairs committee and if

nothing is done for them they will be greatly disappointed.

Mr. MATTHEWS (Kootenay East): So far in this debate I have not had an opportunity of expressing myself one way or the other. Now that we are on section 4, which deals with the amount of the dominion's contribution and defines the persons who are pensionable and the allowable income, I wish to say just a few words.

First, I want to support the remarks of the hon. member for Lethbridge to this effect, that there is not a corner of this vast dominion which is not concerned in regard to this matter. Articles in the press of the country have stirred the minds of both our young people and our middle-aged as well as our aged citizens. The young people are stirred because they know that old age is inevitable, that some day they will be old, and on account of the lack of an adequate old age pension policy certain sacrifices and demands will be made upon them which are the concern of the state. The middle-aged are of course, concerned because they know that old age is approaching them all too rapidly, and the aged are, of course, concerned because they are in need now.

Mr. MARTIN: I just want to point out. Mr. Chairman, that what we are doing now is dealing with the principle of the bill. I hesitate to interrupt the hon. gentleman who is speaking for the first time on the bill, and I hope he will not misunderstand me, but I think, as minister piloting the bill, it is my duty to say, that we ought to have a discussion of the specific clauses of the bill, not just general statements which should have been made on the second reading. I suggest that there is no sense in moving the second reading and going into committee of the whole, unless we observe the rules. I would call that to your attention, sir, with great respect.

Mr. MATTHEWS (Kootenay East): If the minister had waited long enough he would have found that I would be discussing the very clause before the committee. I have been thinking about a small group of old age pensioners in my constituency. They are members of the old age pensioners' association of British Columbia. I know these people. I know the background of their lives, and I am wondering how I am to go back to my constituency and face these people and tell them that this government is asking them to live on $1 a day. That I believe is pertinent, Mr. Chairman, to the section we are discussing.

Who are these people for whom we are pleading. today? It has been emphasized again and again in this debate that they are the pioneers who have made Canada what she is today. It has been pointed out in the debate that Canada is one of the richest countries in the world, and one of the best countries in the world to live in, and I agree with all of that. But I still feel that Canada, which made such splendid showing in her war effort, can do more than this bill does for our old age pensioners. As a boy I was always taught to respect old age. I believe that one of the best ways of estimating character is to watch the attitude of any boy or girl upon the street towards people of advancing age. If we want to honour old age we shall try to be concerned about how our old people are to live when they come to the twilight of their lives.

I believe that we should remove the stigma of charity from our old age pensions. During my forty-two years of life in this dominion I have heard some very hard things said in Canada about expecting one to live to the age of seventy years before one can become eligible for the old age pension. I have heard some hard and bitter things said about the means test. That, too, is involved in this section. I am of the opinion that if a Gallup poll were taken across the Dominion of Canada today there would be an overwhelming expression of opinion that the means test should be abolished forthwith.

One thing, of course, is interesting in this debate on ald age pensions, and that is that it cuts across all party lines. Everyone is agreed that we should do all that is humanly possible for our aged citizens, especially when we look at the advanced cost of living. It has been rising from day to day, and I personally cannot see much prospect of improvement in this regard. Statisticians may produce their charts to show just how much such and such a plan would cost the country, but I should like to point out to the committee tonight that the amount for which we are asking for our old age pensioners is nothing comparable with the cost of battleships which we built during the war years and sank on all oceans of the world. I have not heard it said in the debate so far what these old age pensioners are supposed to do with this money. Suppose we give them $50 a month at the age of sixty-five, as we are asking the government to do. Will they put it in a stocking? Will they hoard the money? I do not think so. This money will be spent in the stores of our country. It will be another method of distributing purchasing power. It will act like a shot in the arm to business. The country and the government will get the bulk of this money back again in taxes either directly or indirectly, because every time an old age pensioner walks

into a grocery store to buy some article of food he will be paying in directly some of the taxes which will bring the money back to the government.

In a debate on this subject which took place on April 10, 1946, the then minister of national health and welfare, present Minister of National Defence (Mr. Claxton), placed on *Hansard,* at page 752, a chart of estimates of the cost of old age pensions for the years 1948, 1951, 1961 and 1971. He was striving to show that the government's proposals to the provinces constituted a burden which could be carried by the Canadian economy. He admitted on page 753 of *Hansard* that we could have pensions of the size advocated, namely, $50 at the age of sixty-five, but that the increased cost would have to come from one of three sources, either taxes or borrowing or printed money.

It is abundantly clear that the government's hesitation today arises out of the question, where is the money to come from? Several hon. members tonight have been generous enough to hand bouquets to the minister, and I am glad to say that he has appreciated them with a smile. I want to say that I feel rather sorry for him. Perhaps he might not enjoy my pity, but I think—

Mr. MARTIN: I appreciate the hon. member's interest.

Mr. MATTHEWS (Kootenay East): I think he has just been handed a very difficult portfolio as Minister of National Health and Welfare. He is handling it intelligently, and with all due regard to his great task I think he is doing a good job. But when this bill came before the house I should have liked to see him go out to the country with a bold measure which would have given an adequate pension for our aged citizens, and I believe the country would have supported him in that move.

So far as I have read the articles in the press, there has been very little said. The press generally is waiting to see what parliament will do, and they will not have to wait very long.

There is a phrase in this section which deals with allowable income. It is my opinion that very few of our aged citizens will be blessed by receiving very much of this allowable income. Many of them have reached the stage where they are no longer of value on the labour market. Even if they were, work is not obtainable by them. I know that during 1941, under the exigencies of war, there was work for almost everybody. It was not a question of age or of youth. Even in my own constituency of Kootenay East in 1941 both old and young had no difficulty whatever in obtaining work of one kind or another, but the picture is entirely changed today. Women of the age of sixty are being let out of their jobs, and men of the age of sixty-five are being let out by government departments. I am concerned about how these people are to live between the ages of sixty-five and seventy when, under this bill, they become eligible for old age pension. Something should be done for these people and it is a government responsibility to see that those who, through no fault of their own, have not been able to accumulate anything for their aged years shall not be allowed slowly to starve to death as many of them are undoubtedly doing.

Before I resume my seat, I should like to say one word regarding our Indian population, since others have been doing the same. I do not know how many hon. members have ever had the privilege of living on Indian reserves. I suppose most hon. members have Indian tribes fairly adjacent to them in their constituencies, but I have lived on Indian reserves in British Columbia for over twelve years, and I know something about how these people live. If there is one thing that is needed, and one place in which the minister can bring some glory to himself—not that he is looking for that kind of thing—a place in which he can really do a first-rate job for the Dominion of Canada, it is to see that the old age pension is made payable to the Indians of our dominion just as soon as possible. They need it, if anybody does; and, as was hinted by the hon. member for Muskoka-Ontario, if these people had votes, then they would be considered far more than they are considered today. But they have not the right to vote. They do pay taxes. They pay indirect taxes as well as other people, and because of that they have a right. The very fact that these are the original inhabitants of this country gives them rights, and this discrimination should be done away with just as speedily as possible. Give the old age pension to the Indian population as well as to the white population.

Mr. MARTIN: I wish to say one or two words. I know the committee will generously allow me these few words. I appreciate what the hon. gentleman has just said. All the criticisms that have been heaped on me I expected and I accept them, because in a measure of this kind, where some think you are not doing enough and others think you are doing too much, naturally one is placed in a difficult position; but I want to say to the hon. gentleman that I have at least this to console me. Through this bill I have been

somewhat responsible for bringing to 275,000 people in this country something in the way of improved living conditions. It may not be the kind of relief that all hon. members think we should have brought. But by this bill I am being the instrument—and that is the only way I will put it—of bringing to 60,000 people for the first time the opportunity of receiving the old age pension. I say that it might not be what all hon. members think it should be but in the light of all obligations, and in the light of great objectives which we seek as a government, I relish the fact that at least I have been able to help to do that much.

Mr. FRASER: Do Indians who served in our armed forces and who have been enfranchised get the old age pension, or are they barred?

Mr. MARTIN: They get it.

Mr. FRASER: They will get it?

Mr. MARTIN: Yes, they do, under the act.

Mr. HARKNESS: I think the minister is wrong in that, because they are Indians under the act. These Indians are not enfranchised Indians. They have the right to vote by virtue of the fact that they served in the armed forces, but they are Indians under the act and are therefore disqualified.

Mr. MARTIN: They can become enfranchised.

Mr. HARKNESS: No.

Mr. FRASER: Enfranchised to vote, but they do not get old age pension.

Mr. MARTIN: An enfranchised Indian can qualify.

Mr. FRASER: An enfranchised one, yes, but not one who fought in the armed forces.

Mr. MARTIN: They can apply and become enfranchised.

Mr. FRASER: But then they have to give up all their treaty rights.

Mr. MARTIN: That is right.

Mr. MacINNIS: They have done that already.

Mr. FRASER: No. They fought for their country. One who has fought for his country is entitled to old age pension.

Mr. MacNICOL: Has the minister put on *Hansard* the age at which pensioners receive old age pension in New Zealand, Australia, South Africa and Great Britain? I believe it is sixty-five.

An hon. MEMBER: It is sixty in New Zealand.

Mr. MacNICOL: Can the minister put it on *Hansard?*

Mr. MARTIN: I will.

Mr. BROWN: From the trend of the discussion it would appear that the Indians are left on their own as they become old. I think it is only fair to the Indians, the members of the house and to the people of Canada generally that we should let it be known that to a greater extent the older Indians are given care and attention. I might cite one instance which is well known to many members of the house who were on the commission last fall. I refer to the case of an elderly Indian couple of Shubenacadie, Nova Scotia, who were moved to a new home, a very comfortable place, which had been built for them. It consisted of two large rooms, one used as a livingroom and bedroom, and the other used as kitchen and diningroom. The government had supplied them with the essentials such as food and also, I believe, with certain animals such as a pig—

An hon. MEMBER: A small deer.

Mr. BROWN: I would not be referring to my hon. friend in that instance, I am sure. I was speaking of a pig, a hog, and that would not apply either. This couple had chickens and, if I am not mistaken, a goat. They had various things that were essential to their livelihood, and in addition to that they were supplied with maid service in the person of a woman who came to their house two or three times a week to clean up and generally to look after these elderly people. These people were happy and were appreciative of what the Canadian people were doing for them.

Mr. CASTLEDEN: Is that common among the Indians?

Mr. BROWN: I am not in a position to say it is common. I am citing one instance I saw myself. Not having visited all the Indian reservations, I am not in a position to say, but I know this one particular case. We found other cases. It is true that they need the allowance; they should have it as of right, and I am sure that the government in due course will see that they do get it as of right.

An hon. MEMBER: Why in due course?

Mr. BROWN: I seem to have heard from some place in the chamber. Well, Rome was not built in a day, and neither was my hon. friend.

Mr. CASTLEDEN: The Indians have been waiting for a long time.

Mr. BROWN: It is all very well to say that the Indians have been waiting for a long time. Certainly, and so have you and I waited for a long time for some things. If a thing is worth having it is worth fighting for and worth waiting for. Of course, when the opposition get through talking, probably we shall be able to accomplish a few things that are vitally needed by the Indian population. So far as I can see, there are many things to be accomplished on their behalf, and everyone who has any knowledge of the matter knows that. On the other hand, the Indians themselves, with the help of the government, have made great strides in the last few years, and that is something for which we should be grateful.

Mr. HARKNESS: I was surprised to see the hon. member for Essex West (Mr. Brown) coming to the help of the minister and whitewashing the treatment of the Indians in this country in what I thought was really a feeble way. As a matter of fact, all that talk of that kind does is to becloud the issue. The fact that there is an odd Indian who is reasonably well looked after has nothing to do with the general situation that the Indians are not receiving adequate help in their old age. The actual fact, which the hon. member knows as well as I do, is that the Indians receive the equivalent in kind—rice, flour, lard, salt, tea and so forth —of about $5 to $6 a month, depending on the locality in which they live. That is what they receive as old age benefits, and it is totally inadequate as nearly everyone in the house will admit. I do not think we should becloud the issue. We should look at the matter honestly and admit that we have not treated these people properly.

I am not putting the blame on this government but on all governments that have been in office in this country. I do not think there should be anything along the line of politics in this matter. There certainly is not as far as I am concerned, and at the present time we should look at the matter from the point of view of what is necessary for these old Indians. The minister, I am sorry to say, in replying to the hon. member for Peterborough West, also misled or attempted to mislead the committee—

Mr. MARTIN: Why say "attempted"? Say "misled".

Mr. HARKNESS: I do not say he did it deliberately.

Mr. MARTIN: Take out the "attempted".

Mr. HARKNESS: Unintentionally, I should have said. The Indians who volunteered or were conscripted, as some were, and served in the armed forces of the country during the war, by virtue of their service have the right to vote, but have no right to draw old age pension when they reach the age, because they are still Indians under the act and the statement that the minister made that they may become enfranchised is completely begging the question. It has nothing to do with the situation, which is this. A man who either volunteered or was conscripted for service and fought for the country is denied the right to old age pension because he is an Indian under the act, whereas thousands of people who had no service as far as this country is concerned and many of whom were conscientious objectors and refused to fight, are eligible for the pension. That in itself is one of the inconsistencies which cannot be defended. It is a complete inconsistency that that situation could exist.

Before I sit down I should like to refer to a quotation I gave from "King Lear", while I was speaking half an hour or so ago. When I quoted this tag the hon. member for Muskoka-Ontario, who is a great student of Shakespeare, immediately sent for a copy; and after I had resumed my seat he called me over and said, "You know, I think you have added a few lines to Shakespeare. I do not think you can possibly find those lines in 'King Lear,'" He said, "Here is the book", and he challenged me to find them. I have now found the lines, and they run in this way:

> But mice and rats and such small deer
> Have been Tom's food for seven long year.

The quotation goes on—and I am sure there are many Indians who would subscribe to this part of it also, as far as the white people of this country are concerned—and ends in this way:

> Peace, Smulkin; peace, thou fiend.

Mr. MARTIN: As the hon. member knows, these people are entitled to the war veterans' allowance if they have served in a theatre of war.

Mr. FRASER: The war veterans allowance would not amount to as much as the old age pension in Ontario.

Mr. MARTIN: Yes, more.

Mr. BROWN: On a question of privilege, Mr. Chairman, I have been accused by the hon. member for Calgary East of whitewashing. I do not know what he means.

Mr. HARKNESS: Only of attempting to white-wash.

Mr. BROWN: I do not know what he means by "white-wash". However I think

that as far as this committee is concerned—and I have discussed the matter with other members of my own party—there has been relatively little of political partisanship. I do not know what it is, but there seems to be something about this vaulted chamber, the green carpet or the comfortable seats which affects us. In the committee we, of course, have a form of *Hansard;* but when we get into this chamber we seem to take a partisan attitude. If we honestly and sincerely desire to try to help the Indian to help himself, I think we should take the same attitude in this chamber as we adopted in the committee. Although I stand to be corrected by any member of any party, I think there was very little, if any, political partisanship shown in the committee. We had an honest and sincere desire to help, and I think that attitude should be continued in this chamber.

Mr. BURTON: Will the hon. member permit a question before he sits down?

Mr. BROWN: I shall be glad to.

Mr. BURTON: Is it not true that the committee made a report recommending that the Indians be given the old age pension?

Mr. BROWN: As I said yesterday, the committee did make a report to this house requesting that the government consider the advisability of granting old age pensions to the Indians. I am sure that the matter is still being considered by the government—

Mr. KNOWLES: And the Indians still go without it.

Mr. BROWN: —and that at the proper time they will be granted the old age pension. However I am not the government. I cannot answer for the government.

Mr. HARKNESS: In view of what the hon. member for Essex West has just said, I should just like to say this. In the committee considering the Indian Act our relations have been most amiable, and I am glad they have been. As I remember it, in that committee we agreed unanimously on a report which was presented in this chamber and concurred in by the house. We agreed unanimously that the Indians should have the old age pension. As I say, we reported that to the house unanimously. That is why I am so greatly surprised to see the hon. member for Essex West rise and attempt to defend the fact that the Indians are not getting it.

Mr. LOCKHART: I just wish to suggest to the minister that there are many more of us who would be interested in saying a word on behalf of the Indians. The subject could be enlarged upon to take in greater scope than what has already been said. I do not want to delay the committee, but does the minister say definitely that he cannot consider anything in the way of a change in this bill?

Mr. MARTIN: No. I said we were considering the whole thing in a comprehensive manner.

Mr. LOCKHART: I know; but I mean at the present time.

Mr. MARTIN: I think the best way is to deal with it comprehensively.

Mr. LOCKHART: I wish to ask another question which has to do with income and the assessed value of personal property.

Mr. MARTIN: That comes under—

Mr. LOCKHART: I know what the minister is going to start off with. He is going to say it comes under another section.

Mr. MARTIN: It comes under section 8, on the regulations.

Mr. LOCKHART: I know it does. In the drafting of this bill, have all these matters been fully considered and taken into consideration.

Mr. MARTIN: Yes.

Mr. LOCKHART: Because these are injustices which have been perpetrated in the past.

Mr. MARTIN: They were carefully considered.

Mr. WRIGHT: I wish to ask the minister a question on this section; but, before doing so, I wish to state that I have listened patiently to a great many speeches and some very good arguments on this section and on the Old Age Pensions Act. Despite what the minister stated with regard to some people agreeing that this was too much, I have not heard that argument advanced in this house. I have not heard an hon. member state that $30 a month was an adequate pension. I have heard a good many arguments advanced to the effect that it was probably the largest amount we could pay at the present time, having regard to our obligations with respect to other social security measures. That argument may have some validity, but certainly there is no validity to any argument which contends that this is an adequate pension. We in this group have stated that we believe that $50 a month would be an adequate pension, having regard to our ability to produce

in this country. I wish to state why we think that. If hon. members will cast their minds back to when the war started in 1939, they will remember that our national income in Canada was approximately three and a quarter billion to three and a half billion dollars. Today that national income is something over nine billion dollars.

An hon. MEMBER: Eleven billion dollars.

Mr. WRIGHT: Well, it is at least two and a half times what it was before the recent war started. If we go back and look at the income earned by the farmers of this country, we shall find that in the six years prior to this war their average earned income was somewhere in the neighbourhood of $700. We shall find the same thing if we go back to the earnings of industrial workers. Today we find those incomes are approximately two and a half times what they were during the 1930's. If $20 a month was an adequate pension in the 1930's—and I do not think it was, but it was the pension which we were paying out of our total production in this country at that time—then I say that today, with production two and a half times as large as it was at that time, a fair pension to the old people of this country would be two and a half times what they were getting in the 1930's, or $50 a month. I would ask the minister if that is not a fair argument. Last year we exported from this country some $600,000,000 worth more goods than we brought back in. In other words, we sent out goods and services to that extent to help Europe and to build up reserves of pounds, francs and currencies in those other countries, which we did not use for the purpose of bringing back goods to this country, because in many cases those goods were not being produced in those countries. But I say that if our national income today is two and a half times what it was in the thirties, and if we can afford to export $600 million worth of goods more than we import, then we should be able to give our old age pensioners in this country better than $30 a month. I think that is a sound argument. I agree that we cannot feed our old age pensioners or clothe them with locomotives and materials of that kind, but we can feed and clothe them with goods we can bring back in return for those exports. I say that when we are capable of producing all these goods and services we should be prepared to share them with the old people of this country.

Mr. MARTIN: I want to reply to what the hon. gentleman has said, because I think his question is important and I should like to bring this matter to a finality. My hon. friend keeps speaking of a pension of $30. Technically that is correct under this bill, but one should bear in mind what flows from the passage of this bill. It means that in British Columbia, for instance, without the province spending one further cent per pensioner, the pension rate can be raised to $38.75. It means that in Alberta the rate can be $33.75, without the province spending an extra cent per pensioner. It means that in Saskatchewan the rate can be $33.75 without the province spending one cent more per pensioner. In Ontario, up to the day before the bill was introduced, it meant a pension of $31.75, but that province has now increased its pension to $40 as a result of this bill. One must bear those things in mind.

Mr. NICHOLSON: Why leave out Manitoba?

Mr. MARTIN: That is the fact, and that is what I am discussing. Naturally I cannot meet all that my hon. friend has said, but I am pointing out the facts. It might be interesting to compare those rates, on the basis of current exchange rates, with the maximum pension payable in the United Kingdom, which is $273.13; in Australia, where it is $275; in New Zealand, where it is $334.88 and in Denmark, where it is $292.92.

Mr. WRIGHT: I agree that the pensions mentioned by the minister are those paid in the countries he named, but he has not answered my argument with regard to the share of the old age pensioners in the national income of this country. Perhaps the figures he has mentioned may be a fair share of the total production in those countries, and that is all I am arguing for. I was not going to mention this, but again the minister has raised the question of the different pensions being paid in the different provinces. But I notice that he has been careful not to mention the average pensions being paid in the maritimes. He has never mentioned the pension being paid in Nova Scotia, for example. He has always twitted us coming from the west, by asking, "What are you going to do now?"

Mr. MARTIN: I have mentioned the supplement in Nova Scotia; and I put a table on *Hansard* today.

Mr. WRIGHT: Just wait a minute. The minister is trying to get cooperation between the provinces and the dominion, and I say that in his arguments on the second reading of this bill he has done more to set up competition instead of cooperation than anything I have heard so far in this house this session. He is continually bringing up the question of what the provinces are going to do, and asking

why one province cannot do as much as another province. That is the last type of argument the minister should be using if he wants to secure cooperation; and I must say I have been disappointed in the minister in that respect.

Mr. MacINNIS: I made a suggestion to the minister in regard to the wives of pensioners who were not eligible for pension in their own right. I suggested that he take the matter under consideration and perhaps be prepared to do something for this fairly large number of our citizens. Let us take the case of a pensioner seventy years of age or over. Very likely his wife will be somewhere between sixty and sixty-five, or at least under seventy. She will not be eligible for the pension until she is seventy years of age. If the total income of that man and wife, who have made their contribution as citizens to the welfare of Canada, is $30 a month, or $360 a year—it may be more in some of the provinces mentioned a moment ago by the minister, though even in British Columbia, which pays the highest pension next to Ontario, it would be only $35 a month, or $420 a year—does the minister suggest to this committee that any family can live on $360 or $420 a year? As the hon. member for Melfort has said, the minister studiously avoided mentioning the maritime provinces. I think I read it the other day, but may I read again a short paragraph from the proposals made by the dominion government in 1945, specifically on the question of old age pensions? This is at page 37:

> There are considerable variations between the provinces in respect of the number of persons obtaining pensions and the average amount of pension paid. Thus, in one province 28 per cent of all persons aged seventy and over were receiving old age pensions in 1945, and in another province 57 per cent. Likewise, the amount of average monthly pension varies from $18.63 per month in one province to $29.41 (including provincial supplement) in another.

Granted that this has been increased in the provinces where supplements are paid, it has not been increased in those provinces where no provincial supplement is paid. This is what I want the minister and the committee to listen to and understand:

> Generally speaking, the need for pensions is, as might be expected, greatest in those provinces which are least able to finance such payments out of local revenues.

It is those provinces which are least able to pay the supplement from their local revenues, and which are not paying supplemental pensions, that the minister neglects to mention when he gives the pensions being paid. And it must be remembered that there is nothing in this bill which provides that there shall be a pension of $30 a month. Let me read the section, so that I will not leave anything out:

> Pursuant to an agreement made with a province under section three of this act, the government of Canada will contribute in respect of each person in receipt of pension from such province an amount not to exceed seventy-five per centum of thirty dollars monthly or of the amount paid by such province monthly, whichever is the lesser, for pension to each such person . . .

This clearly provides that in some provinces the pension will probably not be $30 a month, because those provinces will not be able to pay that amount from their local revenues.

Mr. MARTIN: What provinces?

Mr. MacINNIS: The provinces that are not paying supplemental allowances now. It may not apply to all of them. I suggest to the minister that he take this matter into consideration, that he take it up with his colleagues in the cabinet in order that some provision may be made for the wife of a pensioner who is not yet eligible for a pension in her own right, provided that the combined income is less than $1,080 a year, or even a lesser amount. I want to make it as easy as possible for the minister, but I think this is a case where something should be done.

Mr. MARTIN: I believe my hon. friend was out of the chamber when I said I was going to give it consideration.

Mr. MacNICOL: Is the minister able to give an answer to the question I asked?

Mr. MARTIN: I shall deal with contributory and non-contributory schemes because in some countries they have both. To deal first with contributory schemes; in the United Kingdom it is sixty-five years for males and sixty years for females; in the United States it is sixty-five years; in Australia they have no contributory scheme, and in New Zealand it is sixty-five years. To deal with the non-contributory schemes, in the United Kingdom it is seventy years; in the United States, sixty-five years; in Australia, sixty-five years for males and sixty years for females; and in New Zealand, sixty years.

Mr. KNIGHT: It seems to have been the habit of various speakers tonight to express their personal feelings for the minister; but, after looking over what is being done, I think my feeling for him is one of sympathy for his having to defend a bill of this kind. I have for him the same feeling as I had for the Chairman of this committee today when

he was looking for an argument to rule out of order the amendment moved by this party. One or two of the things which I had in mind have already been expressed, perhaps better than I could have done it, by the hon. member for Melfort and the hon. member for Vancouver East.

The hon. member for Vancouver East raised the point that a province is not under an obligation to pay a certain pension. The minister was asked about this before and, as I remember it, he said that that was not right. Someone suggested that a province might be paying a pension of $25 a month and could continue to pay it after this bill had been passed. I should like the minister to answer whether that is true or not.

Mr. MARTIN: I said that we had no power to compel any province to do anything, nor would this house ask us to do something which constitutionally we could not do. But I can say that every province is going to live up to the provisions of this bill.

Mr. KNIGHT: The minister is stating what the provinces are going to do, and may I suggest respectfully to him that he has no right to say that.

Mr. MARTIN: That is what I just suggested.

Mr. KNIGHT: The minister is concerned solely with dominion matters. I think there has been altogether too much talk about what the provinces are going to do, particularly on the part of the minister. He made that his main theme when he was not talking about political things in the address he gave in introducing the bill. In doing that, I think he made a tremendous mistake, if I may suggest such a thing to one of his experience. The bland and cool assumption has been made that the provinces will continue something which they have been doing because the dominion has refused to live up to its responsibilties, and when I say the dominion, I mean the dominion government. But I am quite sure that some of the supplementary payments which were made by the provinces to eke out the meagre dominion grant were made on a temporary basis. They were made in the hope that the dominion would at some time live up to its responsibilities. Of course that hope was based largely on the expectation that there would be a dominion-provincial agreement. That has not happened, and we find ourselves in our present predicament. I think the minister was presumptuous in his speech to suggest that the provinces should pay a certain amount. He has done it again tonight. He said that British Columbia would pay $38.65, or whatever it is, and that Saskatchewan would pay $33.75. The minister has no guarantee that the provinces will continue to make those payments.

Mr. MARTIN: Does my hon. friend know of any province that proposes to drop them?

Mr. HOMUTH: That is not a fair question.

Mr. KNIGHT: I am not answering for any province. The minister asked the same question of the hon. member for Winnipeg North Centre in regard to Saskatchewan. That hon. member has nothing to do with Saskatchewan and neither have I. I am here on dominion business trying to represent the people of my constituency. I resent it greatly that the minister should raise such an issue. It is purely political. I should like to quote from page 4365 of *Hansard:*

> Mr. Martin: Does the hon. member think we shall get action in Saskatchewan now?

I can tell the minister that there has been a great deal of action in Saskatchewan on behalf of the old people and the common people generally of that province. What is Saskatchewan going to do now? When the minister said in his lordly way that Saskatchewan will pay $33.75, let me remind him that he is not being fair. Let me remind him that Saskatchewan would be paying a great deal more than $33.75. They have their hospitalization scheme and the blue cards for the old people, which represent a good many dollars in addition to what is being paid in cash with the help of the dominion government. Then there is the $5 that is being paid without any help from the dominion government. Then further on the minister is reported as saying:

> What will Saskatchewan now do as a result of this bill?

The DEPUTY CHAIRMAN: Order. I hope that at this stage of the discussion the hon. member will deal with the section itself.

Mr. KNIGHT: I submit that what I am saying has a direct bearing on this question. However I shall leave it by saying that, in my estimation, this is a very puny bill. May I say quite earnestly that I think the manner in which the minister has presented it has lessened his prestige as a minister of the crown. I am not saying that in a personal way; I mean it and I mean it quite sincerely. I am tremendously disappointed in the bill. I am tired of hearing this business about the provinces, and I am referring to the section which says that the provinces shall do so-and-so. I do not think it is up to a minister of this dominion to say what the provinces shall do.

Mr. HOMUTH: A few moments ago the minister quoted some figures to show what the pensioners in the various provinces of Canada would get, but he left the impression that it was to the credit of the dominion government that they would get that.

Mr. MARTIN: No.

Mr. HOMUTH: Yes, you did.

Mr. MARTIN: I did not mean to.

Mr. HOMUTH: You did. If the minister will read his words in *Hansard* he will find that that is a fact. The fact of the matter is that the pensioners will get $30 a month in some provinces because the provinces are doing it, not because the dominion government is doing it. I think that should be made clear. The words used by the minister would seem to reflect credit upon this government for those people getting $30 a month.

Mr. FLEMING: On the minister.

Mr. HOMUTH: Yes, on the minister. There is no credit due to them. It is just that the provincial governments realized how meagre the pension is and the necessity of coming to the rescue of the old age pensioners.

Mr. BENTLEY: I have been very patient all through this debate, not having said a word since April 24 on old age pensions. I think that is showing pretty good patience for this house when it is realized that some hon. members have been up and down at least half a dozen times. I wish to do like one or two others have done. I want to pay a personal compliment to the minister, because every time some hon. member suggests that something should be done for the Indians the minister expresses an expansive sympathy for the plight of the Indians. I think that is a commendable thing when the minister or anybody else indicates that he has such great sympathy, and his sympathy embraced the whole house. He said that every member of the house would agree with him in that sympathy. That includes the members on his own side. But unfortunately, when a practical concrete thing is suggested to make use of some of that sympathy then like Pharaoh's heart of old his heart hardens and the house is left trying to make bricks without straw. That is about what has been happening in the debate so far.

Another source of satisfaction to me tonight is that something has occurred during this debate that I have never before seen occur to such an extent. When we were discussing the orders in council under the omnibus bill in April and were dealing with sections referring to old age pensions I introduced the idea that when the breadwinner of a family unit in this country becomes of pensionable age and qualifies for pension under the means test, his dependent spouse should also receive the pension. That idea has been echoed now by several members on the other side of the house and by quite a few members in all parts of the house, and I take great satisfaction from that because, since I have been a member of this house, I had never heard anyone make that suggestion until I introduced it on that day.

Mr. CROLL: I gave you credit for it.

Mr. BENTLEY: The hon. member for Spadina and the hon. member for Cariboo were the only ones who were kind enough to recognize my contribution and I thank them both heartily for that. You see, Mr. Chairman, I like recognition even in a small way.

What I really rose to do tonight was to ask the minister to make clear to me something which he has repeated time and again. I want to be sure that I have understood him aright, and I would ask him to correct me immediately if I state the position wrongly. I understood the minister to say that so far as this section of the bill is concerned, the amount of income allowed both through pension and through outside income will not be affected if the province supplements that income in some other way.

Mr. MARTIN: That is right. I said that if the province wants to give a supplement in addition to the $600 it can do so.

Mr. BENTLEY: Let us take a hypothetical case. We will assume that some wealthy province like Ontario, which not only has great natural resources of its own but is also able to extract a great deal from practically every other province—

Mr. HOMUTH: Do not start that.

Mr. BENTLEY: I am not accusing the Tories.

Mr. MacNICOL: On a point of privilege, Mr. Chairman, we hear altogether too many expressions like that from my hon. friend and his friends. He does not really mean that word "extract", and why does he make such a foolish statement?

Mr. BENTLEY: Why does the hon. member for Davenport ask me such a foolish question in the light of the history of the western provinces?

Mr. MacNICOL: We are always doing all we can for the western provinces, but expressions like the hon. member used can only injure the western provinces.

Mr. BENTLEY: I hope the hon. member will be able to convince some of his fellow citizens; he will never be able to convince us out there.

Suppose that some province decides that the minimum required is $60 a month, and suppose that that province is already paying its share of the $30, along with the dominion's share of the $30, and that the recipient of the pension has an outside income of $20 a month. That makes him eligible under this section of the bill. Suppose that the province decides that he needs $60 to live on and says that, over and above the amount they contribute to the allowable pension under this section, they will make further cash payments of $10 a month to the pension recipient.

Mr. MARTIN: By way of supplement.

Mr. BENTLEY: The word "supplement" is not interesting to me.

Mr. MARTIN: It may not be interesting, but it is an important word.

Mr. BENTLEY: We will use another word. We will suppose that the province makes a cash payment. We will not say "supplement"—

Mr. MARTIN: I know we all want to save time, and if my hon. friend will allow me, if it is a supplement it comes under section 16 of the regulations which I have read three times, but perhaps the hon. gentleman was busy—

Mr. BENTLEY: No, I listened to it very carefully.

Mr. MARTIN: It reads:

> In determining the income of any pensioner for the purpose of the act, the pension authority shall take into account the amount or value of all income and contributions, whether in cash, or in kind, received by the pensioner other than cost of living, allowances or supplementary allowances paid by any provinces to persons in receipt of pensions under the act.

I made a pretty extensive statement on that earlier, and I think my hon. friend will find that I have met his point.

Mr. BENTLEY: I listened very carefully. A supplement may be one kind of payment that would come under that. But let us assume another hypothetical case which almost had an opportunity to operate in this country if the legislation had not been disallowed. Suppose that a province were to decide that from the provincial revenue or credit, social credit if you like, they were going to use the social credit of the province to pay eventually to their citizens $10 a month, but until the machinery got moving it would apply to just a certain section of their society to start with and that section became the recipients of an old age pension. Assuming that nothing happened in the dominion to disallow their attempt to do that, and that they were sucessful in the attempt, would that be called a supplement which would be allowed in addition to the pension?

Mr. MARTIN: If it came within section 16, yes.

Mr. BENTLEY: Now the minister has completely convinced me that he means what he says. Will he set the matter at rest so that, in the event of his retiring on pension of some kind in the early future and another minister taking his place, there can be no misunderstanding? Will he write that into the bill, so that nobody can ever be confused about it as I have been confused in the course of this debate? It is not in the bill now.

Mr. MARTIN: It is in the regulations.

Mr. BENTLEY: The regulations are not before us in this bill. The regulations to be made under this bill come under another section which has not yet been dealt with, and the regulations which have been made under the act in the past may be changed by the regulations issued under a subsequent section of the bill or at some future day. I see an able lawyer nodding his head that I am correct. I can see that a good lawyer might argue successfully that the new regulations to be issued under another section of the bill or at another time did not permit this to be done. I should like to see it stated in the law, so that judges of the courts will be able to read and understand it when they hear argument from counsel.

Mr. MARTIN: May I read section 19 (2) of the act:

> No regulation by reference to which any agreement with a province has been made shall be altered except with the consent of such province or in accordance with the provisions of the regulations to which it has agreed.

All these regulations are made by all the provinces and the dominion sitting down together. At the last provincial meeting, for instance, in Ottawa in November, my hon. friend's province was represented by Mr. Valleau, Mr. White and Mr. Chalmers. They make these regulations, and subsection 2 of section 19 protects my hon. friend.

Mr. BENTLEY: They make the regulations?

Mr. MARTIN: It is a matter of agreement between the nine provinces and the federal government.

Mr. LOW: Is that the fact? I understood that the regulations were made in the main by the federal government.

Mr. MARTIN: No. I just read the section. I do not want to get into a discussion on this. I am anxious to get this section through. We shall deal with the matter of regulations when we come to section 8. I want to cut the thing short if I can—

Mr. BENTLEY: I appreciate the minister's desire to cut the thing short. I should like to cut it a lot shorter than it is. As a matter of fact the minister should have brought in his legislation at the early part of the session so far as I am concerned or at any time during the session, but I do not feel like passing this bill until I am convinced of the extent to which it operates. I have heard the bill described on second reading in various ways. One hon. member called it a munificent act; some other hon. member on this side of the house called it a dull thud. I think he was nearer to a correct description of it. But so far as this section does go, which grants $30 a month, I want to be sure that these other things are not to interfere with the full payment of that meagre amount of $30 a month. While the regulations may be, as the minister says, unchangeable, I should like to see it put somewhere in this bill, so that I can be utterly convinced nothing can happen to it in the future.

Mr. MARTIN: It is in the act. It is in section 19, subsection 2.

Mr. BENTLEY: We cannot go into that section here.

Mr. MARTIN: That is the law now and it continues to be the law.

Mr. RINFRET: That is the part which is not changed.

Mr. MARTIN: The present bill deals with the amendments to the act.

Mr. BENTLEY: All right. Of course, not having that before me and not having had time to look it up in *Hansard,* I shall have to take the minister's word for it that the regulation will apply and say that my inquiry in that regard must be deemed to have been satisfied for the time being. I shall read the minister's statement as we go along.

Mr. MARTIN: The hon. member can discuss it on section 8.

Mr. BENTLEY: Very well, and I shall remember what we have said here.

I wish to mention one other matter before I sit down. During the course of the debate there was cross-fire between the minister and the hon. member for Vancouver East. In the course of that cross-fire as I remember it, and as no doubt it will be recorded in *Hansard,* a week ago the hon. member for Vancouver East said that he could not see how the government or the minister could believe that $30 a month was an adequate living allowance. The minister replied that he did not believe it either. I think that is correct. Then the minister followed that up with the statement that not even $50 would be an adequate amount. If the minister really believed that, let me draw his attention to subparagraph (i) of paragraph (c) of the section under discussion at the present time. We find that the pension and the outside income that a pensioner is allowed to have must not amount to more than $50 a month. If he gets more than that his pension is reduced. If the minister meant what he said, that $50 is not enough; if there must be a means test, and if there must be a limit to the means test, then the minister should have allowed $660 or $720, or whatever further amount would have convinced him and the government was the proper amount for a person to live on as an income.

Then, we come down to subparagraph (ii) of the same paragraph which says:

. . . married to and living with a sighted spouse.

In that case their pension and outside income altogether may be $1,080 a year, indicating that in those circumstances the dependent spouse is not worth quite as much or will not cost quite as much to keep as an individual without sight, but if he is married to a blind spouse, it is $120 more, which is more like a living allowance. I hope that the people who come under subparagraph (ii) do not get tempted, if they are not too moral, to take their spouses' eyes out and send them out with a tin-cup to beg enough to make up the $120. There is that difference between the two. Certainly there does not seem to be any good reason why those under (ii) should not be allowed as much pension and outside income as those under (iii). I am not asking that (iii) be reduced to the amount in (ii) in these paragraphs, but that (ii) be increased in conformity with (iii).

Mr. QUELCH: I have one question to ask. I have listened to hon. members asking a number of questions, but very few questions have been answered by the minister, because apparently just as soon as one hon. member sits down another one rises for fear the Chairman will call the section carried, and therefore the minister has not had a chance to answer. Whilst a number of hon. members

have been speaking, the minister has been busily wagging his head up and down which, I suppose, means he agrees with what has been said. If he did not agree he would be wagging it sideways instead of up and down. Therefore, if he agrees with half of what has been said tonight I would have thought he would have risen in his seat and moved a number of amendments.

The question I wish to ask is the one I asked when I spoke on the second reading of the bill. Various other hon. members raised it at that time, and various hon. members have raised it tonight. The hon. member who has just taken his seat raised it. My question is why the principle of the war veterans allowance has not been applied in this bill, so that a pension may be paid to both the wife and the husband, even though the age of the wife may be below seventy. After all, I believe the husband is supposed to be responsible for his wife. Therefore, when he reaches the age of seventy and receives $360 a year, if his wife is less than seventy the couple have to live on $360 a year, which means that they are living on $180 each, which is only fifty cents a day. I should like the minister to answer the question as to whether or not the government has given any consideration to applying the principle of the war veterans allowance to this measure.

Mr. MARTIN: The hon. member for Vancouver East asked me that question and I replied.

Mr. QUELCH: There is another question I should like to ask; maybe the minister has replied to this. Various hon. members have quoted budgets. I have heard them quoted from all sides of the house, but I have not yet heard the minister quote a budget upon which this $30 a month is founded. Has the minister filed a budget which he considers would provide an adequate standard of living for the people at the rate of $30 a month? The government must have a budget which will show what people can do on $30 a month. They may, first of all, have given consideration to how much it takes an individual to live on. I should like the minister to table now a budget showing how much can be spent on clothing, how much on housing, how much on food, and so forth, on a pension of $30 a month. I think we should have that budget tabled before we leave this subject.

Mr. MARTIN: I have not one. That question is one that cannot be answered blithely. I do not say, and no one says, that $30 a month is enough for a person to live on. I have gone through so much misery in my own life that I can say that.

Mr. QUELCH: You have not reached seventy years yet. Wait until you reach seventy.

Mr. MARTIN: I am talking about my own experiences. There are some hon. members who know that I know something about this. I will say no more than that. That is why I made my reply to the hon. member for Vancouver East. An old age pension in this country was never intended to cover the complete cost of living; it is a maintenance grant. That is all it can do.

Mr. QUELCH: Never meant for what?

Mr. MARTIN: To live completely on. That is what I am saying.

Mr. QUELCH: What is an individual going to do who has no other means of livelihood?

Mr. MARTIN: That is another matter, and I say it is one with which I am as much concerned as anyone, and perhaps more than most.

An hon. MEMBER: What did they do before?

Mr. QUELCH: A lot of them died young. I believe every member of this house could cite examples in his own constituency of people who died before they would otherwise have died because they did not receive an income which made it possible for them to obtain a proper standard of living. Are we to understand that the ministry is not prepared to place before the committee any form of budget which might enable these people to maintain a reasonable standard of living? I do not ask for a budget to give them an elaborate standard, but enough to maintain them in a state of decency.

Mr. MARTIN: I said I would endeavour to deal with that matter.

Mr. QUELCH: When?

Mr. MARTIN: The next time we meet here.

Mr. NICHOLSON: In view of the fact that the minister has indicated that he will give consideration to some of the suggestions on this side, might we not allow this section to stand until we meet again?

Mr. MARTIN: No.

Mr. NICHOLSON: If the section carries there is no possibility of favourable consideration being given to the proposals made on this side of the house I might say that, had

the amendment moved by the hon. member for Winnipeg North Centre carried this afternoon, it was proposed that we would proceed by asking that section 4 be further amended by deleting the word "seventy" from line 25 and substituting the word "sixty-five" and, also along the line of the argument put forward by the hon. member for Swift Current, that section 4 be amended by deleting the words "six hundred" from line 39 and substituting the words "seven hundred and fifty," also by deleting the words "one thousand and eighty" from lines 43 and 44 and substituting instead thereof the words "fifteen hundred"; also deleting the words "twelve hundred" from lines 47 and 48 and substituting the words "eighteen hundred".

Mr. WARREN: Why not have Saskatchewan do that? There is nothing to hinder them.

Mr. NICHOLSON: I am glad the hon. member for Renfrew North has raised the question he did. The other night I could not hear him in this part of the chamber. I am glad to discuss Saskatchewan's responsibilities with respect to the old people. We recognize that we live in one of the depressed areas in Canada. The dominion bureau of statistics support the claim that Saskatchewan and the maritimes are regarded as depressed areas as compared with Ontario and Quebec. The Minister of Justice will bear me out that when he was charged with the responsibility of raising money for victory loans he started one year by asking for $8 million in Saskatchewan, as compared with $240 million in the city of Toronto. He knew he had to get the money where the money was. He recognized that the people of Saskatchewan were as loyal as in any other part of the country and that we gave according to our ability.

Mr. MITCHELL: Will the hon. member say that all the people of Saskatchewan are in a depressed area?

Mr. NICHOLSON: I am not saying that everyone in Saskatchewan is in poverty, but statistics indicate that Saskatchewan has, throughout this century, poured great streams of wealth into Montreal and Toronto, while we could not retain for ourselves that standard of living which we think we should have.

The CHAIRMAN: I think the hon. member is going beyond the scope of the section. I did not interrupt him when he was endeavouring to answer a question, but I hope he will confine himself to the section.

Mr. NICHOLSON: I will conclude briefly by saying that the minister has not performed a useful public service in raising the sort of question which has been raised by the hon. member for Renfrew North, as he did the other night. The people in the provinces are sensitive. We cannot hope to compete with Ontario in providing high standards of social service and happiness for our people, and for the minister to play one province against another, one party against another, will, as the hon. member for Melfort suggested, make it more difficult to reach agreements regarding the important problems that are before the people. We are spending as large a percentage of our total provincial income in Saskatchewan in caring for the aged as any other province in Canada, and I am sure we are prepared to go as far as we can. The Prime Minister in 1931 emphasized that the old age pension is a national responsibility, and the minister of health and welfare has not made it clear yet why he is not going along with the Prime Minister.

Mr. DIEFENBAKER: What is the proportion paid in Saskatchewan as compared with Ontario?

Mr. NICHOLSON: I have not the figures, but I feel sure it is a high percentage of our total national income. I realize that the minister does not personally deserve all the criticism that is being expressed. When I first came to parliament he was very generous to me, and I spent some time in cultivating the hope that he might go along with us. He knew something of the problems of the people I represent—

Mr. MARTIN: Might we discuss the bill rather than my political convictions?

Mr. NICHOLSON: I should like him to agree to give the matter consideration over the week-end because, as the hon. member for Melfort has said and as I have pointed out, $50 a month would not place a great strain on the resources of the country. We cannot ask the provinces to carry these responsibilities. In Canada, during the war we demonstrated, while the Minister of Justice was at the helm in the treasury, that whatever is physically possible must somehow or another be made financially possible, and the provision of something better than $30 a month out of the resources of Canada must be physically possible and, therefore, must be made financially possible. I would ask the minister to let this section stand.

Mr. MacINNIS: I would ask the minister again, as an earnest of his desire to amend this section, to let it stand. Once it is passed, it is passed and it will not be reopened. I think he should do that.

I am now constrained to say something that I wanted not to say, but if I were a private member on that side of the house I would not be opposing this measure. I would have at least the decency to keep quiet about it, considering what we did when increasing our own emoluments. I can understand the minister fighting for the bill because it is a cabinet measure and he has accepted responsibility for it, but I cannot understand hon. members who, two years ago, voted themselves $2,000, and when anyone got up to oppose it shouted him down or attempted to shout him down. I can tell you, Mr. Chairman, how this question can be easily settled, and that is by bringing the old age pensioners here and letting them vote their own pensions. That would be a way of settling the question.

Mr. JAQUES: The hon. member who has just taken his seat took the words out of my mouth. I voted for, or at least I did not oppose, the extra $2,000 a year paid to the members of this house, because I knew, I honestly knew, that we could not live and do the job on less.

Mr. MARTIN: I suggest that this is out of order.

Mr. JAQUES: Mr. Chairman, may I say that we have altogether too much—

Mr. MARTIN: I would ask for a ruling, Mr. Chairman.

Mr. JAQUES: We have altogether too much of this "out of order". There will be no freedom of speech at all in this house if this goes on.

The CHAIRMAN: Order. I think the discussion of previous legislation with respect to the allowance of $2,000 is not relevant to this section. I would ask hon. members to make their observations on matters which directly concern this section of the bill.

Mr. QUELCH: On a point of order, surely the committee must recognize the fact that we are now considering whether or not we can afford to pay the people of this country old age pensions at $30 a month or more. To the extent that we increased our own salary by $2,000, we have that much less money with which to pay old age pensions. Therefore, for that reason, if for no other, it must be in order to discuss government expenditures along other lines which reduce our ability to pay old age pensions of $50 a month.

Mr. JAQUES: I have not criticized what we did with regard to our own emolument, and I have no intention of doing so. We did it—and I am quite sure everybody in the house was perfectly honest about it—because we all realized that it was impossible to live on the old indemnity in view of the increase in taxation and the cost of living. My only point in mentioning that is that, if we could not live on our indemnity, how can we expect thousands of our old citizens to live on $1 a day? I say they cannot live on that. And if they cannot, what are they to do? That is what I want to be told. How are they to live on $1 a day? It certainly is out of all reason to expect them to do so in this day and age. If there were any prospect that the amount would be increased next year, the situation might be different. But apparently this is to be more or less permanent. I understood the minister to say a few minutes ago that the pensioners cannot live on that amount, and they are not supposed to live on it. What are they to do, then? There are thousands of people who are too old to work or are physically incapable of obtaining work for which they may be paid. I appeal to hon. members not to worry about how it will be done. Anything physically possible and desirable can be made financially possible. I shall not say any more except make one final appeal to the government to think of these old people, most of them helpless, who are condemned to live on $1 a day.

Mr. QUELCH: In view of the fact that the question of the $2,000 has been raised, I am sure that all hon. members are extremely conscious of it. I am sure that every member at various times has received letters saying, in effect, "In view of the fact that you have voted yourselves $2,000, surely you will be willing at least to see that the old age pensioners of this country get a decent pension." When that question was brought before this house, I think most of us were under the impression that the government were going to carry out the promises they made during the war regarding a decent programme for a new social order. I think every hon. member in the house believed that.

The CHAIRMAN: Order.

Mr. QUELCH: At least I did.

The CHAIRMAN: Order. The hon. member is not discussing this section. He is discussing the possibility of a new social order. That is not permissible at this time. I would again ask him to direct his remarks to the provisions of the section of the bill under consideration.

Mr. QUELCH: One of the provisions of the section is for $30 a month, which we do not think is enough. As I say, last year we felt that we should probably be able to justify the

$2,000 for the members of this house in consideration of the fact that we were intending to bring down a decent rate of pensions, not only for the old age pensioners, but for all people who are physically incapacitated.

There is one other point I should like to mention in regard to pensions of $50 a month. The question which is being continually raised is whether we can afford it. As I said on second reading, in my opinion we cannot afford not to pay old age pensions at a decent rate; we must do it, not merely for the purpose of providing old age pensioners with a decent standard of living, but for the purpose of helping to make our present system function. As the Minister of Finance has warned, the greatest danger we in this country face in the near future is lack of effective demand. One of the best ways of helping to build up effective demand in this country is to pay old age pensioners $50 a month. That is quite in order, and bears directly on this section of the bill. What is one of the best ways of helping to maintain effective demand in this country against the production of the country? We in this group, and I think all members on this side of the house, feel that one of the best ways of doing that is by providing decent social services; and old age pensions should probably have priority over all such social services unless it is decent pension to all those people who are physically incapacitated. I should like to ask the minister whether or not the government have given consideration to that question. I should imagine they have, because it is a matter which was raised by the Minister of Finance and by the governor of the Bank of Canada, when they said the great danger we in this country are facing in the very near future is the lack of effective demand. If we cannot maintain effective demand against the production of the country, then our national income will fall. And if our national income falls, we shall find it that much harder to finance old age pensions of even $30 a month.

The CHAIRMAN: Order.

Mr. QUELCH: I am coming back to the $30 a month.

The CHAIRMAN: The hon. member is using the section under consideration to assist him in describing what he believes is a proper fiscal system for Canada.

Mr. QUELCH: I cannot hear you, Mr. Chairman.

The CHAIRMAN: The hon. member is not talking about the old age pension bill. He is talking about some financial system or some fiscal system, and he is using the section under consideration as an example, which I do not think is proper.

Mr. QUELCH: Mr. Chairman—

The CHAIRMAN: Order. May I ask the hon. member to discuss section 4 of this bill and not other problems?

Mr. QUELCH: Mr. Chairman, I apologize to the committee if I did not make myself clear. I was not trying to discuss the financial system or the economic order. I was trying to discuss whether or not we could afford to pay a decent pension, whether, instead of paying $30 a month, we could not afford to pay $50.

Mr. MARTIN: Would the hon. gentleman permit an interruption? I am sure he will accede to this request. Before the bill is through, if he wants to have an opportunity of discussing this matter, I will try to find some way of providing it. But in view of the long discussion, and in view of the fact that there will be an opportunity to raise the point he has in mind, would he mind facilitating the passage of this section?

Mr. QUELCH: There is just this point. If I can have the guarantee that at some stage in committee we can have a discussion on this question, I am willing to let it go at the moment.

Mr. MARTIN: I will try to answer it.

Mr. QUELCH: There is no use in waiting until third reading, because we cannot get an answer then.

Mr. MARTIN: I will try to answer the hon. gentleman later.

Mr. QUELCH: Sometime during the passage of the bill through committee?

Mr. MARTIN: Yes.

Mr. QUELCH: And at that time I shall be allowed to discuss the matter, and reply to the minister?

Mr. MARTIN: I will try to answer.

Mr. QUELCH: I want that assurance, because this is the only section upon which we can discuss this matter.

Mr. MARTIN: No, there are others. I will try to answer the hon. gentleman.

Mr. QUELCH: The minister will guarantee that?

Mr. MARTIN: I will try to answer it.

The CHAIRMAN: Shall the section carry?

Mr. McKAY: Before the section carries, I should like to ask the minister if he has given a reason why the pension for the blind—

Mr. MARTIN: That is the next section.

Mr. WRIGHT: Earlier in the day the minister was asked certain questions with regard to reciprocal arrangements with the other parts of the British commonwealth in respect of social security benefits. Did I understand him to say that a conference had been held between all members of the commonwealth, or just with Great Britain?

Mr. MARTIN: There is a conference on in Great Britain which is to continue until the fall.

Mr. WRIGHT: Were the other parts of the commonwealth invited to participate?

Mr. MARTIN: Yes.

Mr. WRIGHT: Have they participated in that discussion?

Mr. MARTIN: Yes.

Mr. WRIGHT: I think it is important that we should have some such reciprocal arrangement at this time. A number of our people have married Australians or New Zealanders, or have brought home English brides, and there is no doubt that, as they become older, a considerable number of our people will wish to go to other parts of the commonwealth, perhaps to stay with relatives. This matter should be given consideration, and I suppose that will be done, in view of the minister's statement. I should have liked to see the minister able to make some definite statement as to how far these negotiations have progressed; but, in view of the fact that the matter is still under discussion, I suppose it would be impossible for him to go any farther than he has done tonight in this respect.

There has been a good deal of discussion as to the adequacy of the $30 a month mentioned in this section. I notice order No. 10 on the order paper, which reads:

Resolved, that it is expedient to present a measure to provide pensions or other superannuation benefits for senior appointees of the Department of External Affairs serving outside Canada and the wives, widows and dependants thereof.

I wonder if the government will consider $30 a month sufficient for those people, because apparently they consider $30 a month sufficient for our old people. In view of what we have voted for ourselves; in view of our generous treatment of returned men; in view of our very generous treatment of judges; in view of our very generous treatment of various other civil servants in this country, it seems to me that we certainly should be prepared at this time to be a little more generous with our old people. I believe I have shown that out of the total national income of this country, which has increased to approximately three times what it was in the thirties, a fair share to our old people would be $50 a month. It seems to me that should be the minimum we can afford out of our production at this time. It is not asking too much that our senior citizens share with the rest of us on a fair basis. We have all increased our incomes in the last five or six years. There is not a member in this house whose income today is not two or three times what it was in the thirties.

Some hon. MEMBERS: Speak for yourself.

Mr. WRIGHT: If hon. members will be honest they will admit that.

An hon. MEMBER: We are not all farmers.

Mr. WRIGHT: Very few members of this house, if they were in business and if they have been using a little bit of brain during this war to develop that business under the conditions which have existed in this country, have not doubled their incomes. That is shown by the national income; and if hon. members say they have not—

Mr. MITCHELL: Will my hon. friend answer a question? He is a farmer. Would that be true of the farmers in general; I mean the part about using their brains?

Mr. WRIGHT: If the hon. member had been here a few minutes ago when I was speaking he would have heard me quote the average income of the farmers of this country in the thirties, which was somewhere between $650 and $700 per family per annum. That average income has been increased until today it is something over $1,800 per family per annum, which is a substantial increase. The Minister of Labour must know that the average income of the working population of this country has more than doubled since the thirties. Take the average wage paid to workers in this country from 1932 to 1938 and the average wage being paid today. He will find that the increase is in approximately the same proportion as the increase in farm income. Look at the profits being made in this country. If you add up the total profits—

Mr. MITCHELL: I asked the hon. member a question.

Mr. WRIGHT: Just a minute; then you can make your speech.

The CHAIRMAN: Order. May I take this opportunity to remind both hon. gentlemen that we are discussing section 4, and that a general discussion of conditions and wages in Canada is hardly relevant.

Mr. WRIGHT: I am discussing the policy of the Canadian government—

Mr. MITCHELL: What my hon. friend said was this—

Mr. WRIGHT: Just a minute.

Mr. HACKETT: May I remind the minister that it is eleven o'clock.

Mr. WRIGHT: I was reminding the minister that the profits made by companies in this country are many times greater than they were in the thirties; more than three times greater.

The CHAIRMAN: Order. The hon. member for Stanstead has pointed out that it is eleven o'clock. Can section 4 carry?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

Mr. PROBE: Did you rule that it was eleven o'clock, Mr. Chairman?

The CHAIRMAN: It is not for the Chairman to make such a ruling. If some member of the committee would like to move that the committee rise, report progress and ask leave to sit again I shall put the motion.

Mr. PROBE: I wish to refer to two statements in the auditor general's report, to supplement what has been said by the hon. member for Melfort with respect to our ability to implement something a little more generous than is at present considered in section 4. The government has set many precedents for pensions of a more generous nature than our senior citizens are getting. I should like to quote from page 24 of the auditor general's report, public accounts, 1946:

Order in council P.C. 7499 of December 28, 1945, transferred, as of January 1, 1946, the administration of—

Mr. MARTIN: I rise to a point of order.

The CHAIRMAN: I do not see that what the hon. gentleman is quoting is relevant to this debate.

Mr. PROBE: If you will just let me complete what I am saying—

Mr. MARTIN: I move that the committee rise, report progress, and ask leave to sit again.

Progress reported.

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THE ROYAL ASSENT

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

Ottawa, June 26, 1947.

Sir:—I have the honour to inform you that the Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as deputy of His Excellency the Governor General, will proceed to the Senate chamber on Friday, the 27th of June, at 5.50 p.m. for the purpose of giving the royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
F. L. C. Pereira,
Assistant Secretary to the Governor General

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

Friday, June 27, 1947

The house met at two o'clock.

THE LATE LORD BENNETT

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, before we begin this afternoon's proceedings of the house, I should like personally, and on behalf of my colleagues in the government and members of all parties in both houses of parliament, to express something of the sorrow that must have been felt throughout Canada when it was learned that, at an early hour this morning, one who over many years had been foremost in the public life of our country had passed away. Had Lord Bennett lived until Thursday of next week he would have attained, on that day, his seventy-seventh birthday anniversary. It has been known for some time past that he was in failing health. This, at his years, naturally occasioned much anxiety to his friends. Notwithstanding, the word of Lord Bennett's death this morning will have come wholly unexpectedly to the people of our country.

It would be difficult for anyone, and most of all for one in my position, to attempt at this time to estimate the place which will be given by posterity to Lord Bennett's services to Canada, to the British commonwealth of nations, and to the world. In the affairs of each of these arenas he took, over many years, an active and conspicuous part. It would be still more difficult, and at this moment wholly inappropriate, for me to attempt to weigh the merits of political controversies in this house and on the public platform in which, as leaders of opposing par-

ties, we were engaged, whether in office or in opposition. It is rather of those things which political supporters and opponents alike will wish to remember that I should like to say just a word at this time.

A review of Lord Bennett's life seems to me to fall naturally into three main divisions; the first the years of early manhood during which period his time was given to educational pursuits, to the work of his chosen profession and to the beginnings of his participation in public affairs, in New Brunswick—where he was born and received his early education—and in western Canada where he subsequently went to reside.

The second period was that which has its immediate association with the parliament of Canada, and which began with his election to this House of Commons as member for Calgary in 1911, and which continued until he resigned the leadership of his party in 1938, and subsequently went to reside in the United Kingdom.

The third period is concerned with Lord Bennett's activities in the years of his residence in Britain. It is difficult to believe this period now totals nine years.

As we look, in turn, at each of these periods of Lord Bennett's public life there is one feature common to all three. By it, I am sure, it would have been Lord Bennett's wish to be remembered. That feature was his wholehearted devotion to public service. This is noticeable in his membership in municipal councils in New Brunswick within three years of his admission to the bar of that province; in his membership of the legislative assembly of the northwest territories from 1898 to 1905; in his membership in the legislative assembly of Alberta from 1909 to 1911; in his membership in this House of Commons from 1911 to 1917 and again from 1925 to 1938, and in his membership in the House of Lords in Britain over the past six years.

During his years in our House of Commons, Lord Bennett held at different times the offices of Minister of Justice and Attorney General, Minister of Finance and Secretary of State for External Affairs. He was chosen leader of the Conservative party at a national convention in October 1927. This position he held for nearly eleven years. For just over five years—from August 1930 to October 1935—he held the office of Prime Minister.

During the years that his party was in power, and prior to the time he himself became Prime Minister, Lord Bennett shared to the full the confidence of Sir Robert Borden, and of the Right Hon. Arthur Meighen. In his years of office, Lord Bennett took a foremost part in conferences in Canada and London on imperial and other political and economic questions. In 1934 he represented Canada at the league of nations assembly.

During the early days of the war Lord Bennett gave valuable service at the ministry of aircraft production in London. At a moment of critical fortunes in the war against the enemy in the air, he shouldered voluntarily a considerable responsibility for which he was warmly thanked by the then Prime Minister of the United Kingdom.

Throughout his life, and especially during his years in England, Lord Bennett gave much time and effort to the activites of the Red Cross. The hospital erected at Taplow, Buckinghamshire, and subsequently handed over by the government of Canada for use by British agencies, was a project in which he took a special interest. One of his last public duties was the handing over for the flood distress relief fund of a contribution of $1,500,000 from the surplus funds of the Canadian Red Cross Society.

A parliamentary tribute to Lord Bennett would not be complete without a reference to his qualities as a public speaker and a debater. He greatly enjoyed public speaking, and both on the platform and in parliament displayed exceptional oratorical talents.

Whatever the political differences, those who did not espouse Lord Bennett's political faith will readily concede his fidelity to the causes he advocated, and pay tribute to the public services he sought to render Canada and the British commonwealth of nations.

Lord Bennett's life furnishes a striking example of how one of determined purpose can succeed in the enterprises of life. I have already spoken of his years in parliament, his years of great activity as the leader of his party, and in the office of Prime Minister. His position at the bar was of high eminence. In a material sense he was a man of great wealth. He will be remembered in this connection as one who displayed large benevolence towards deserving causes.

Lord Bennett possessed rare capacities in many fields—the law, education, banking and commerce, as well as public affairs. He displayed great industry in every branch of his activities. It was in keeping with the record of his career that his convictions were very strong, and that his position on public questions was generally unyielding.

It would not be true were I to have it appear that my relations with Lord Bennett were at all times the pleasantest. I hope I do his memory no injustice when I say that as a man of strong feelings he found it difficult not to resent as personal much that is inevitable in the vicissitudes of party political for-

tunes and strife. It is hard for any of us in public life wholly to escape that feeling. I like, however, to believe that between public men whose views may be strongly opposed, there is often an underlying sympathy more profound than any of which the public can possibly be aware.

With the permission of the house, I should like to conclude what I have to say of Lord Bennett at this time by reading to hon. members two of the last letters exchanged between us. They relate to his relinquishment of the leadership of his party, and of active participation in Canadian politics. I like to recall at this time the sentiments which these communications express. They will, I need scarcely say, ever be deeply cherished.

The first communication is one from myself to Lord Bennett. It is dated Laurier House, Ottawa, March 6, 1938, and is as follows:

Laurier House,
Ottawa, March 6, 1938.

Dear Mr. Bennett:

Please permit me to say that I was not a little pained when I received the word that because of the impairment of your heart, you have found it necessary to relinquish the leadership of your party, and that you will be doing so before another session of parliament.

Next to yourself, I am in a better position than anyone else to know the tax upon one's health and strength which leadership of a political party occasions. I have often marvelled that you have found it possible to do what you have, and maintain your strength to the degree you have. I know how deeply you will feel giving up parliamentary duties, even for the sake of your health; perhaps I should say, particularly because of your health. In this decision which has become imperative, I should like you to know that you have my sincere and understanding sympathy.

I can only express the hope that release from some of the exacting burdens you have borne may serve to restore your health and to increase and prolong the enjoyment of your days as well as afford opportunities of public service in other ways, which otherwise might be denied.

With kind personal regards,

Believe me,

Yours very sincerely,

(Sgd.) W. L. Mackenzie King.

The Right Honourable R. B. Bennett, P.C., M.P.,
Leader of the Opposition,
Chateau Laurier,
Ottawa.

To that letter I received the following reply from Mr. Bennett as he was then addressed:

House of Commons
Canada
Leader of the Opposition

Monday, 7 March, 1938.

My dear Prime Minister:

It is difficult to express in writing my very sincere appreciation of your courtesy and sympathetic understanding in writing me your note of yesterday.

Of course I dislike giving up. Anyone who has been through the political campaigns I have participated in would dislike abandoning the field. But I could not think of going through a general election and our friends must prepare. My general health has been excellent, but the doctors tell me that my heart condition which was apparently only temporary has become permanent. The impairment is not necessarily suddenly fatal but if not carefully looked after may result in permanent invalidism.

Perhaps I may be able to find some useful work to do that will not involve too much strain. At any rate I shall try. But in the remaining years, few or many, I shall not forget your note. I wish I had been able to so conduct the affairs of the country from 1930 to 1935 as to have escaped some of the violence of the opposition of your party; I might not have found myself so worn at the end of my term of office. But that is past history. I do hope that you have no such experience as I have had and in health and strength you may be able to discharge your duties and responsibilities.

With grateful appreciation of your note and the kind thought that inspired it, I am,

Yours sincerely,

R. B. Bennett.

The Right Honourable
W. L. Mackenzie King, P.C., M.P., LL.D., &c.,
Prime Minister.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, death comes very close to all of us when it takes away one who for five years sat where the Prime Minister now sits, and who for three years prior to that time and three years subsequently sat in the seat it is now my privilege to occupy.

Under these circumstances there will be many who will wish to pay tribute to the one who has gone. As for myself, and speaking for my associates, I wish to pay personal tribute to the man who served this country as Prime Minister during the five most difficult years this country, in common with the rest of the civilized world, has ever passed through.

When Mr. Bennett was Prime Minister I was one of the western premiers. It was a time when men in public affairs carried heavy burdens and had to act decisively and often quickly. It was a time when governments could not be guided by theories, but from day to day had to face practical realities. It was a time when the problems of international affairs were not as well understood as they are today.

In my dealings with him I found Mr. Bennett to be a man of great courage, of great personal integrity, and above all a great Canadian, one most familiar with every phase of public business from one end of this country to the other.

He felt he had to do some things which were unpopular at the time, but which with the passing years the public has come to understand better and appreciate.

Among the achievements that will stand as an enduring monument to his memory are the empire trade agreements. And among the great institutions which will stand to his credit is the establishment of the central bank, the Bank of Canada.

Mr. Bennett was a man of wide scholarship, distinguished in his profession, a leader in business, and an outstanding parliamentarian. His public career began in 1896, when he served as a member of the municipal council of the county of Northumberland in New Brunswick. It ends now, fifty-one years later, after he had been six years a member of the British parliament.

The man to whom we pay tribute today lived a rich and fruitful life. The last occasion on which I saw him was some two years ago on a trip to the continent. I found him somewhat impaired in physical strength, somewhat mellowed in his approach to controversial questions, but with the love of Canada undiminished and his faith in the future of the commonwealth unimpaired.

I regard it as a privilege on my own behalf, as well as on behalf of my associates, to have the opportunity of paying tribute to one who was an outstanding public figure, as well as a great public servant.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, there is nothing much that I need add to the tributes that have already been paid by the Prime Minister (Mr. Mackenzie King) and the Leader of the Opposition (Mr. Bracken) to a man whom I consider to have been one of Canada's greatest men and one of our most colourful political leaders.

It was my good fortune to be elected at the general election in 1930 and to have been here during the strenuous five years between 1930 and 1935. Mr. Bennett was a man who seemed to me to welcome a fight. He never did anything to parry or ease the blows directed at him. As the Prime Minister has said, he enjoyed a fight. To me he appeared at first an aloof and forbidding character, but during the last few years that he was in this house, when I came to know him better and to know him personally, I found him a kindly and warm personality. I wish to associate this group with the tributes that have been paid in his honour today.

Mr. SOLON E. LOW (Peace River): Mr. Speaker, I wish to associate the group I represent with what has been said by the Prime Minister (Mr. Mackenzie King), the Leader of the Opposition (Mr. Bracken), and the hon. member for Vancouver East (Mr. MacInnis). I did not know Lord Bennett personally, but I was born and reared in the province in which he spent the greater part of his life. I knew of his great capacity, his brilliant career and I admired a number of the fine things he did which will leave their impression not only upon Canada but upon the commonwealth. I always admired the great devotion he had to any cause he thought was right. We too sincerely regret his sudden passing.

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, may I have your indulgence and that of the house to add yet a few more words to the tributes which have been paid to the great Canadian lawyer, political leader and parliamentarian whose memory will long remain with us all.

I wish to do so as one of the older members of the Canadian Bar Association, in the organization and development of which Mr. Bennett took so prominent a part from its very inception and of which he became the honorary life president at a meeting held in his home city of Calgary in 1932 over which I had the honour of presiding.

The office of honorary life president was created and Mr. Bennett was appointed to it by unanimous resolution proposed by the late Mr. Rowell, afterwards Chief Justice of Ontario, and seconded by Mr. Campbell McLaurin, now a Supreme Court Justice of Alberta, who had been Mr. Bennett's opponent in the preceding federal election. It was intended to be and was a unanimous tribute to Mr. Bennett's eminence as a Canadian lawyer; but even more it was a tribute to the high ideals he had constantly set and assisted in maintaining for the association itself. He had never regarded it as an association for the advancement of the professional and individual interests of its members, but rather as an instrument to further the interests of the nation as a whole and to provide opportunities to its members to be of greater service to the whole community.

There are many lawyers in Canada who never become members of parliament and who never have the opportunities which this parliament provides to form those personal contacts with their fellow citizens from all parts of Canada which are so valuable in assisting one to understand and appreciate the various viewpoints, social concepts and even honest prejudices that make up our aggregate national conscience.

The Canadian Bar Association brings all those lawyers together in periodical meetings where national problems are faced and discussed in an atmosphere of serious responsibility to the body politic as a whole

and from which each one carries away a deeper sense of national solidarity.

No one except perhaps the founder and first president of the association, Sir James Aikins, has done more than the late Viscount Bennett to make that body the effective instrument it has become for assisting in the development of a sound and enlightened Canadian consciousness. No one will be remembered longer and with greater respect and esteem than R. B. Bennett by all those who, over the years, had the privilege of co-membership with him in that association.

Mr. JOHN T. HACKETT (Stanstead): Mr. Speaker, a few words may be permitted at this time to one who as a very young man saw Mr. Bennett as he then was, from the galleries of the House of Commons, when he first came to parliament and who later knew him at the bar, in the Canadian Bar Association, and who as a Conservative member shared in a modest way his political fortunes.

Nature was generous to Richard Bedford Bennett. He was strong of body, of mind and of character. His natural endowment was enriched and developed not only by early training but by constant self-discipline; from earliest youth he learned "to scorn delights and live laborious days". He possessed gifts and graces which, taken alone, are rare, but in the abundance and variety in which they were found in his make-up, are rarer still. He had a flaming courage, a superb memory and a copious eloquence. He was a fearless and dominating personality. To his genius and daring in a period of great national peril we owe in no small degree the maintenance of peace and the preservation of many national institutions. His sleepless energy, his resourcefulness and masterful ways in any of the several fields of action in which he was called, during many years, to take part in behalf of country, never failed him.

He was a great advocate. He believed in the law and sought to make the institution of the law workable, permanent and effective. As one of the officers of the Canadian Bar Association, to the vitality of which he contributed so generously, and on behalf of my brethren in the law, and reechoing in part what has been so graciously said by the Secretary of State for External Affairs (Mr. St. Laurent), I thought it well that I should say how deeply we mourn the passing of him who served, with an unstinted measure of devotion, his generation, his country, and that great institution of the law. In the words of St. Jerome, he was possessed of *magno et erecto animo,* a great spirit, upright and purposeful.

Hon. GROTE STIRLING (Yale): Mr. Speaker, as the only person in the house today who was a member of the administration of Right Hon. R. B. Bennett, I should like to add my word of tribute to that which has been paid by the Prime Minister (Mr. Mackenzie King), by my leader, and by others who have spoken.

For a third of a century this great Canadian occupied a more and more dominant position in our national life, and I am quite satisfied that in due course history will place him in the niche to which he belongs. I am satisfied also that the niche will be among the very great in Canada.

So much for the public tribute we have been honoured in paying. But, Mr. Speaker, there are in Canada a very great number of inarticulate people who are not in a position to pay public tribute to this man whose death they mourn: those who turned to him for assistance, for sympathy, for advice, for help of a more material nature. They will mourn his death today. In many cases that assistance which he gave started them in their chosen vocation, in which they had their opportunity also to serve Canada.

It is not unnatural, Mr. Speaker, that I should look upon my association with Viscount Bennett as one of the great occasions of my life.

Mr. A. L. SMITH (Calgary West): Mr. Speaker, I crave your indulgence and that of the house for only a moment. I wish to pay my tribute, if for no better reason than that Lord Bennett and I come from the same place, and I have known him I think perhaps longer than and almost as well as anyone here. In 1898 he came to Regina as a member of the northwest legislature; I was a youngster visiting at my parents' home. At that time the northwest territories had a government. Sir Frederick Haultain was the premier, and the late Senator Ross, who lived next door to us, was the other member of the northwest cabinet. This morning I took occasion to look up some information concerning those days, and found there was only one copy left anywhere in the world of the budget of 1898. The total amount for that huge territory was $224,925.24. The contribution to agriculture, for example, was $9,485. Much has happened since then; that is why I had occasion to look up these things. I remember that when he came, there was no opposition. I used to run up in the evenings, because they had evening sittings

even then, to listen to the debate; and I remember that Mr. Bennett—and this was not unlike him—formed an opposition. The fact that he was the only member of that opposition did not make a bit of difference one way or the other.

Since then, as I have said, many, many things have happened, and he indeed played a big part in those things. I have seen him only two or three times since he went to England, but I knew of him there from people who came back to us. His home, his ability, his friendship were thrown open to all Canadian soldiers during the second world war. I knew him as a politician, as an advocate; and in any matter on which I had anything to do with him in a forensic way we at all times found him a warrior brilliant and unafraid. In the vast storehouse of his mental equipment I think perhaps his greatest asset was the most phenomenal memory it has been my good fortune to observe. For all the members of this House of Commons, for the staff and members of the press gallery who knew him, I believe it can be truly said that this day a great soul has moved on. I conclude with a couplet by Lord Tennyson in his Ode on the Death of the Duke of Wellington:

> Yea, let all good things await
> Him who cares not to be great,
> But as he saves or serves the state.

That was Bennett.

Mr. A. J. BROOKS (Royal): Mr. Speaker, I learned of the passing of Viscount Bennett only as I was entering the house this afternoon. I feel that no words of mine can add anything to the tributes already paid to the memory of this great man. I do not intend to say anything of his many kindnesses to me when I came here as a young member some years ago. I do not intend to say anything of his great ability, which has been referred to so eloquently this afternoon by previous speakers. As a citizen of the province of New Brunswick, where Viscount Bennett was born, and where the graves of his ancestors for a number of generations back may be seen, I want to say on behalf of the people of that province who were so proud of Lord Bennett, as I know he was very proud of his native province, how much I am sure they mourn his passing. In his old county of Albert many older people still remember him as a boy with whom they went to school; and as I have said, they are proud indeed of this great Canadian and great statesman. Many great men have come from the province of New Brunswick. We think of Lord Beaverbrook; we think of Bonar Law, but I am satisfied that none of our sons will stand higher in the memory of our people than will Lord Bennett, and that no part of Canada will mourn his passing more than his own native province.

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, following the various leaders and those who supported Mr. Bennett when he was head of his party, I want to pay my tribute as one of the oldest private members of this house. I knew Mr. Bennett probably better than anyone else, because we were discussing matters all the time. Sometimes we were on speaking terms only across the floor of the house, but I retain a vivid recollection of him. I remember that the last speech he made as leader of the opposition before coming back as Prime Minister was so long that it delayed the prorogation of the house. He was fighting until the last moment about some estimate; and he was always very active. I remember also the opening of the special session in the fall of 1930, when he was jubilant, exultant and triumphant. He had a large number of supporters around him, and he was really towering. They applauded him very strongly and he seemed to be well satisfied with himself, and rightly so. I did not always believe in his policies. Sometimes he did not appreciate my opposition, but I always gave reasons why I could not agree with him. At the end I had an opportunity to talk with him, and it reminded me of the old days, when we were exchanging books with each other.

Well, having been the first commoner of this country he experienced a great disillusionment. I wonder if it was because some of his supporters were afraid to tell him the truth. I will say nothing about them, but at times it seems to me that if Mr. Bennett had been surrounded by true friends all the time, friends who would not have been afraid to tell him their personal feelings, he would have stayed here and would have remained a great Canadian figure in this country. Because he was unquestionably so. Although he moved to England, he was always considered a Canadian by the Englishmen and all the Britishers who met him over there. I have a happy recollection of the arguments I had with him. Sometimes his blows were strong, and at times we exchanged strong words. But I think of his countless charities and all the good he wanted to do during his lifetime. I am sure, recalling the name of one of his close supporters, that he has now reached the pearly gates, that he has been admitted to heaven by St. Peter; and all our discussions of the past are forgotten and forgiven.

PUBLIC ACCOUNTS

MOTION FOR CONCURRENCE IN FOURTH REPORT OF STANDING COMMITTEE

Mr. GORDON B. ISNOR (Halifax) moved that the fourth report of the standing committee on public accounts, presented to the house on June 17, be now concurred in.

Motion agreed to.

PRISONS AND REFORMATORIES

PROVISION FOR ADDITION TO LIST OF REFORMATORY INSTITUTIONS

Right Hon. J. L. ILSLEY (Minister of Justice) moved for leave to introduce Bill No. 377, to amend The Prisons and Reformatories Act.

Some hon. MEMBERS: Explain.

Mr. ILSLEY: This bill is introduced at the instance of the government of Nova Scotia. It proposes to add an institution to the list of institutions mentioned in the Prisons and Reformatories Act as those in which young offenders may be detained.

Motion agreed to and bill read the first time.

NATIONAL PARKS

ADJUSTMENTS OF BOUNDARIES, ADDITIONS, ETC.

Right Hon. C. D. HOWE (Acting Minister of Mines and Resources) moved the first reading of Bill No. 365 (from the senate) respecting certain national parks and to amend The National Parks Act.

Motion agreed to and bill read the first time.

PRIVATE BILL

PROGRESSIVE INSURANCE COMPANY OF CANADA

Mr. EDOUARD RINFRET (Outremont) moved the first reading of Bill No. 366 (from the senate) to incorporate Progressive Insurance Company of Canada.

Motion agreed to, bill read the first and second times and referred to the standing committee on banking and commerce.

FIRST READINGS—SENATE BILLS

Bill No. 367 for the relief of Henry Eaton—Mr. Maybank.

Bill No. 368 for the relief of Lodie Kadei Nakel—Mr. Maybank.

Bill No. 369 for the relief of Margaret Sophie Bolenski Dubeu—Mr. Maybank.

Bill No. 370 for the relief of Marion Mapes Harvey Allinson—Mr. Maybank.

Bill No. 371 for the relief of Frances Alice Egg Johnston, otherwise known as Frances Alice Egg Willey Johnston—Mr. Maybank.

Bill No. 372 for the relief of Selden Grant Stoddard—Mr. Maybank.

Bill No. 373 for the relief of Elmon Parker Law—Mr. Maybank.

Bill No. 374 for the relief of James Dewey, junior—Mr. Maybank.

Bill No. 375 for the relief of Peggy Alicia Stilwell Kneeland—Mr. Maybank.

Bill No. 376 for the relief of Alexander Monteith—Mr. Croll.

SUPPLY

The house in committee of supply, Mr. Macdonald (Brantford City) in the chair.

DEPARTMENT OF PUBLIC WORKS

Engineering branch—Dredging—

306. Maritime provinces, $819,798.

Mr. MacNICOL: Where is the dredging to be done?

Hon. ALPHONSE FOURNIER (Minister of Public Works): Does the hon. member want the complete list?

Mr. MacNICOL: The areas would be sufficient.

Mr. FOURNIER (Hull): Dredge No. 2 will do dredging at Beach Point, Summerside, Victoria, Grand Etang and Margaree Harbour. Dredge No. 12 will do dredging at Little Shippigan, Miscou, St. Simon and Wood Islands. Dredge No. 14 will do dredging at Rocky Point, Wood Islands, Little Sands, Graham's Pond, Launching and Wood Islands. Dredge No. 15 will do dredging at Vogler's Cove, Little Harbour, Appletree Cove—

Mr. MacNICOL: That will be sufficient. I was especially interested in the proposal in connection with the draught of the boats at Wood Island. The department is going to dredge the harbour at Wood Island?

Mr. FOURNIER (Hull): Yes.

Item agreed to.

Dredging—

307. Ontario and Quebec, $940,010.

Mr. TUSTIN: Some months ago the St. Lawrence-Kingston pilots association wrote to the Department of Public Works requesting that dredging be done at Indian Point. A

short time ago the minister's secretary advised that there had been an appropriation for soundings to be made. Will that dredging be done this summer?

Mr. FOURNIER (Hull): I find that dredging is to be done at Salmon Point. Would Salmon Point and Indian Point be the same?

Mr. TUSTIN: Yes.

Mr. FOURNIER (Hull): It is down for dredging this season.

Mr. SENN: Is any dredging to be done at a small harbour called Nanticoke creek on lake Erie? The minister's officials from the London district looked over the harbour and recommended that something should be done. It was to have been done last fall. Does that work come under this vote or under some other?

Mr. FOURNIER (Hull): Does it go under another name? I have a list of projects in Ontario here, but I cannot find that name.

Mr. SENN: I think that is the name. I understand that it was impossible to get a dredge in there last fall. It was a small undertaking, and no dredge could be found to go in. It might possibly be called Sandusk.

Mr. FOURNIER (Hull): I will do my best to get the information.

Mr. ROSS (St. Paul's): I notice in the details that new plant and equipment is to be provided. Has the minister any information on that?

Mr. FOURNIER (Hull): I understand that the new plant will consist of one new dredge, two scows and a tug.

Mr. ROSS (St. Paul's): Where?

Mr. FOURNIER (Hull): Lake Ontario.

Item agreed to.

Dredging—

309. British Columbia and Yukon, $477,258.

Mr. GIBSON (Comox-Alberni): I am advised that in British Columbia we have had considerable difficulty in getting the amount of dredging done that is required because there were not sufficient dredges of capacity to do the work. Has the department plans for getting any new equipment?

Mr. FOURNIER (Hull): We are proposing to have a certain amount in the supplementaries this year for dredging which will be done by contract. The construction of a new dredge will take some time, and this work is pressing, so we are letting it out by contract.

[Mr. Tustin.]

Mr. GIBSON (Comox-Alberni): Is it the intention of the department to construct new dredges for use out there?

Mr. FOURNIER (Hull): We have not as yet decided. A dredge would cost about $1,250,000 and would take some time to build. This year therefore we are having a lot of dredging in British Columbia done by contract.

Mr. REID: The question which the hon. member for Comox-Alberni has raised cannot be brushed off as easily as that. There are only two dredges on the Pacific coast, and they are forty to fifty years old. As a matter of fact it would seem that to blow the whistle on one of them might make the whole thing stop. Every district out there is asking for dredging. There are some districts which have been waiting for five years for dredging. Only a short time ago I received a request from a saw mill at Fort Langley in my district, which to my knowledge has been waiting for four years for dredging to be done. I am informed by the departmental officials that there is no hope of one of the government dredges going up there to do that work before June of 1948. I draw the minister's attention to this: two shifts at a time have been put on dredges with the idea of getting more work done. That has helped a little, but not a great deal because other difficulties still remain. On one of the dredges only fourteen hours' actual dredging is done in forty-eight hours, because, as most of us from the coast know, one of these dredges is a suction dredge, and when the dredge has been filled, it takes the sand out to sea. It is a six-knot vessel and so it chug-chugs out to sea and then chug-chugs back and during all that time of course, it is doing no dredging.

I think British Columbia has been very patient in waiting for new dredges for the dredging to be done. During the war when this matter was drawn to the attention of the government—I brought it up myself on several occasions—we were told we would have to wait until the war was over before another dredge could be built. A new dredge cannot be built in a few months. It takes time. The minister has been telling us the same story for six or seven or eight years, and again he says that they are still considering it and that it will cost $1,250,000. Does the minister realize how much produce goes out and how many ships come into the Fraser and the north arm of the Fraser as well? These ships are taking out our products to the markets of the world and bringing in much needed dollars or commerce. One of the dredges out there is forty years old, and the other forty-five.

I ask the minister to tell us how long we have to wait before a new modern dredge will be put into operation. Would he be agreeable to having an investigation made to see just what can be done? He talks of having a lot of dredging done by contract, but my understanding is there are no dredges available on the coast, even if he wanted to have the work done by contract. The one contracting firm that did have a dredge on the Fraser river lost their dredge by fire early in the spring, I believe, and there are no other private dredges available. One of the difficulties about a private company building a dredge is that first of all it costs a lot of money, and secondly they are not sure of the dredge being sufficiently employed either on the river or on other parts of the coast. I suggest to the minister that he review the whole Fraser river system from the point of view of dredging.

The St. Lawrence river has a good dredging set-up. Contracts are let for a period of five or ten years and so the dredging goes on year after year. It is not always shown in the public works estimates, because, for some reason which I have never been able to find out, considerable dredging is done under the transport department. I am not setting one province against another; far from it; they all need assistance. All I am objecting to is that British Columbia is not getting the consideration she justly deserves, and I am raising my voice as strongly as possible in protest right now. I would like the minister to give a more definite and favourable statement in reply than he gave to the hon. member for Comox-Alberni.

Mr. PEARKES: I would bring this same matter to the attention of the minister. Last year I raised this question of a shortage of dredges in British Columbia. The harbours all through my constituency are silting up, partly as a result of the topographical formation there. We have high mountains and fast-running streams which bring down a lot of silt as a result of erosion. I believe we have only two dredges for the whole Pacific coast, while there are about seventeen dredges available in other parts of Canada.

Mr. SINNOTT: It may seem strange for a member from Manitoba to back the hon. member for Comox-Alberni and the member for New Westminster in this matter. I know something about construction work, and I know from what the hon. member for New Westminster has said that this type of dredge is an obsolete machine. I know from experience of letting contracts over a period of years that it is expensive. I would ask the minister to consider seriously the discontinuance of the type of machine which is now obsolete and to construct a machine which would be much more economical.

Mr. ARCHIBALD: What dredges there are on the coast are at the south end? There are none on the north end. Judging from what the hon. member for New Westminster has said, I doubt whether they could make the voyage up the coast.

Mr. REID: I would not like to risk it.

Mr. ARCHIBALD: The government had certain post-war plans for dredging and the building of breakwater facilities and harbours for fishermen such as at Delkatla slough, Wiah point, Oona river, Dodge cove and Bella Coola. These are necessary for the fishermen on the north coast; that is where the major halibut fleet is. I know the minister is up against this problem. As the Minister of Reconstruction and Supply pointed out, the shipyards of Canada have eighteen months work ahead of them, all the shipyards with the exception of one, a Canadian owned shipyard in Prince Rupert.

Mr. HAZEN: Two; one in Saint John.

Mr. ARCHIBALD: If the minister wants to make a token payment on this post-war programme to establish the fact in the eyes of the fishermen that he will go ahead with it, he could start by building a dredge in Prince Rupert. The facilities are there; the men are there. If that were done the men would be convinced that they were going to get the facilities for the fishing fleet. That is what I am speaking about. The minister should do this without delay because the facilities are there to build the needed equipment.

Mr. HERRIDGE: I should like to say a few words on this item concerning dredging on the Arrow lakes which was mentioned the other day. For over forty years dredging has been carried on in these lakes. During the war the expenditures were considerably less than in previous years. During one year no dredging was done at all; the dredge was tied up. Dredging is a serious matter for the fruit farmers and other farmers along these lakes who depend on the steamers to carry their produce to railhead.

During recent years the steamer has run for a shorter time each year, that is, through the full length of the two lakes. When the water gets low the large steamer has to stop running. I must say in fairness that the captains keep going as long as possible. Last year they ran until there was only three feet

of water under the hull. They did this in order to move out as much as possible of the fruit and agricultural produce before winter; but the time of running from one end of the lake to the other is getting shorter each year because of the silting, which is causing difficulty every year.

The dredge we have has been operating for over thirty years and it is definitely obsolete. Under the present circumstances there, in view of the possible development on the Columbia river, I would not advocate any large expenditure on new equipment, but I do urge the minister to do something more. I appreciate the fact that the department decided this year to continue dredging operations as long as possible until high water. I do urge upon the minister that he see that sufficient funds are expended each year in that district to keep dredging operations going as long as possible so that the large steamers can run through. When the large steamer has to stop running through there is a great deal of risk of the transportation of fruit being delayed.

Mr. GAUTHIER (Portneuf): I should like to come east a little. The minister may rest assured that I will not ask for a million dollars, but for only a couple of hundred thousand. I should like to know if the project of dredging on the St. Lawrence between Lotbiniere and Deschambault which has been asked for by the hon. member for Lotbiniere and the hon. member for Nicolet to facilitate the operation of the ferry between these two shores is to be gone ahead with. The fact is that traffic would be very heavy if we had the ferry operating efficiently, because all the trucks which deliver the calco, which is a kind of fertilizer that the farmers use on the land, have to cross the Quebec bridge from Deschambault to go into Lotbiniere county where this calco is used to a large extent by the farmers; and then they have to travel an additional seventy or eighty miles to deliver their goods. I should like to know if the minister has carefully considered the demand made and whether it will be possible to give us some kind of answer or tell us that consideration is still being given to the demand made by the two hon. members.

Mr. MacINNIS: I should like to add a word to what has been already said by the other hon. members from British Columbia. This is not the first time that the shortage of dredges on the Pacific coast has been drawn to the attention of the minister. As a layman I do not think it is up to me to say that that shortage exists; but it is up to the minister to have investigations made and to produce the information that would prove beyond all doubt that the dredges on the Pacific coast are adequate to meet the need.

I should like to point out to the minister, as the hon. member for New Westminster has already done, that the Fraser river is an important transportation artery and that it will become more so as the years go by. Furthermore, because of the nature of the country, it is a river which fills in very quickly with the silt flowing down from the mountains. The minister should have the conditions there investigated as early as possible. We realize that during the war, work of this kind could not be undertaken; that is, it could not be undertaken if it took workers and materials away from war needs. But the war has been over for two years, and there has been ample opportunity for estimating the need and making provision for meeting it. I wanted to say these few words before the minister replied to the statements that have been made.

Mr. FULTON: One last word on this matter, if I may join the procession; I should like to deal with what was said by the hon. member for Kootenay East, who referred to the Arrow lakes where for some time they have been doing work to keep open the wharf and jetty to Arrowhead. So much silt is brought down by the Columbia river that they have to dredge to such an extent that all they can do is take the silt out and put it on top of the pile. There is so much there already that it slides back; consequently it is sort of vicious circle into which they are getting now. An alternative suggestion has been made to move the jetty. There is an old wharf alongside a lumber mill that is kept in operation. If they moved out a matter of some four hundred yards it would take the wharf out of the main current of the river so that the silt being brought down by the river would not pile up alongside the wharf, and this might eliminate the need for all further dredging. I was down there between sessions and I looked at this and spoke to the man in charge of the dredge. He verified that all they are doing is taking the silt out and dumping it. They have so much silt there that is sliding in again. I wonder whether the minister would have an expert look carefully into that question to see if the wharf cannot be permanently moved out.

Mr. FOURNIER (Hull): It is apparent that hon. members from British Columbia agree on this question. Nearly all of them have spoken on dredging, and they have all complained of the lack of plant and equipment to do the job. The policy of the department has been

to have its own dredges and let out contracts for the remainder of the work to be done. We have three dredges out in British Columbia, Nos. 303, 305 and 309. We gave out contracts to two or three other firms. Last year one of the dredges of one firm was destroyed, but I understand there is still the Northern Dredging Company of British Columbia which is equipped to take on this work. If the need is so urgent that we have to proceed now, and if we delayed too long in building a new dredge, waiting for a year and a half or two years, the work could not be taken care of, and so I propose to bring in supplementary estimates in order to let contracts for the most urgent work this year. That does not interfere with the project of building a new dredge. I cannot give a definite commitment today. If our dredges are so obsolete that they cannot do the work, we shall have to have another dredge, but I do not think they are as bad as all that. We are having them work now full time. In years past we kept only one shift and now we are having them work nearly all the time on two shifts. We shall try to find means of satisfying every one of the members. As to Kamloops—

Mr. FULTON: Arrowhead.

Mr. FOURNIER (Hull): I will take a note of the hon. member's remarks and ask the engineers to make a report. If we have to move the wharf or jetty so that it will be serviceable, they will send in a report and we will act according to that report.

Mr. FULTON: Is there anything on file in that connection?

Mr. FOURNIER (Hull): I was asked a question about dredging between Lotbiniere and another point. The report on that dredge is that though we might dredge the place we could not keep it in good condition. It would fill so rapidly that it would not be worth spending the money there. However, I will ask for further information about that dredge and let the hon. gentlemen know.

Mr. FULTON: Is there anything on file with regard to the wharf I spoke about at Arrowhead? The department did have someone there last year looking at it.

Mr. FOURNIER (Hull): We will give instructions to Mr. Morton to send one of his engineers to make a report so that we may see what can be done.

Mr. REID: The minister's statements seem to be fair, but I suggest that the plan of dredging carried out on the Fraser river and elsewhere on the Pacific coast is not a good one at all. Take the north arm of the Fraser river. Located there are, I believe, about twenty saw mills and shingle mills. All the manufacturing concerns of Vancouver have been heading of late years to the north arm. You could keep a dredge continuously for the next ten years on the Fraser river. There are millions of tons of silt coming down the main channel every year, as every one out there knows, and its presents a great problem. The minister knows that. Instead of letting a contract in an attempt to get the dredging done, the department is fighting shy of the problem. It has kept one of the dredges on the north arm, with the result that the fishermen's wharves and other wharves at many points are getting silted up over the years. One of the mills in my district has been shut down, waiting for five years, and they are asking when they may expect some relief. Why does not the department let a contract for the north arm and keep a dredge there continually, and leave the two old tubs—because that is all they are—to do the best they can in the meantime?

Mr. MacINNIS: Give them the old age pension.

Mr. REID: As a matter of fact they are too old to enjoy it. It is going to take a long time to draw plans for dredging, and it will take time to let the contract and to build the dredge. In the meantime the silt is piling up in various spots on the main channel of the Fraser river and elsewhere and the dredging situation instead of getting better is worse. In fact, with the present dredges they will never catch up. I have in my hand the works programme that has been outlined, and without new dredging, on the Fraser river alone, there is sixty-five weeks steady work ahead of the two dredges. The dredging elsewhere, including Victoria and Nanaimo, cannot be overlooked.

Mr. PEARKES: There is not a bit of doubt about that.

Mr. REID: I do not know what they will do, and we have not so far received much encouragement from the minister about that new dredge. The situation is not at all satisfactory. I suggest that he should let a contract for the north arm and keep dredging there and keep the other dredges for the Fraser river and elsewhere.

Mr. FOURNIER (Hull): I will see whether Mr. Morton's advice as to dredging is wrong. I understood when I was there that Mr. Morton and my hon. friend knew a good deal about this dredging and agreed on many things. If they do not agree I will ask Mr. Morton to make a new report. When the

hon. member speaks of "old tubs", my information is that our suction dredge on the British Columbia coast is one of the best that can be devised. I am no expert on dredging or suction dredges, but I am told that it is one of the best in the country.

Mr. REID: The minister had better look into that again.

Mr. GAUTHIER (Portneuf): You will have to get dredges for the east too. We need some.

Mr. ARCHIBALD: Has the department considered the need of establishing the necessary equipment for the north coast separating the Fraser river and the island, and the installation of dredging equipment in the northern part of British Columbia? Under the present set-up we shall never get it.

Mr. GIBSON (Comox-Alberni): On the west coast too.

Item agreed to.

Maintenance and operation of graving docks, etc.—

311. Esquimalt graving dock, $125,211.

Mr. PEARKES: It is with some concern I notice that there is a reduction of almost $17,000 for the Esquimalt graving dock. There is a substantial increase for the Champlain graving dock and also for the Lorne graving dock, the next item that we shall come to. So far as I can tell from an examination of the details, most of the reduction in the estimates for the Esquimalt graving dock is taken out of wages and salaries to be paid there. Is that correct?

Mr. FOURNIER (Hull): There is an increase in salaries from $53,000 to $61,000 odd. The decrease is on the item for repairs. Last year we made extensive repairs at the dock there amounting to $46,500. This year the need has disappeared for such expensive repairs. They will cost only $27,000 odd. We have increased expenses for wages and salaries to the extent of over $8,000.

Item agreed to.

Maintenance and operation of graving docks, etc.—

315. Snagboats, $76,990.

Mr. ARCHIBALD: If one of these snagboats should sink and the men working on it lost their gear, their clothes, and so on, the department takes absolutely no responsibility. That did happen in the case of one boat known as the *Essington*. I do not think it is fair. When a Canadian National Railways boat was burned at Ketchikan, the Canadian National Railways reimbursed the crew for at least part of their gear. The hon. member for Comox-Alberni was telling me of a bunkhouse which burned down and they reimbursed the crew, although they were under no legal obligation to do so. I do not think fair treatment has been accorded to men working for the government. Their wages are none too high in the first place, and when they have lost their clothes, valuables and so on, I believe it would be the decent thing to overlook the letter of the law and reimburse the men for the loss.

Mr. FOURNIER (Hull): Does the hon. member know whether or not we received a claim?

Mr. ARCHIBALD: Yes, you received a claim and your legal department turned it down.

Mr. FOURNIER (Hull): The turning down of these things is not done in that way. Before we are authorized to pay out moneys for lost articles we have to make a recommendation to the treasury board and the government. There is a certain policy established. We do not reimburse civil servants for everything they lose. Claims come in every day. I should like to know about this special case, and I myself will look into it.

Mr. ARCHIBALD: I had letters with regard to it. According to the strict letter of the law, the government is not bound to reimburse.

Mr. FOURNIER (Hull): We are not legally bound to do so?

Mr. ARCHIBALD: No; but some form of insurance should be carried, inasmuch as these people are subject to unusual hazards which are not encountered by other workers.

Mr. FOURNIER (Hull): I will look into the case.

Item agreed to.

Maintenance and operation of roads and bridges—

316. Burlington channel bridge, $46,888.

Mr. LENNARD: I notice that the greater part of the increase this year is in operation, maintenance and supplies. Can the minister inform me what that increase is composed of?

Mr. FOURNIER (Hull): The increase is mostly due to the statutory increase, increased cost of living bonus now consolidated in salaries, and painting of the bridge during 1947-48. We paint it every four years, and this happens to be the year in which we shall do that job.

Mr. LENNARD: Is it done by contract or by the public works employees?

Mr. FOURNIER (Hull): We will advertise for tenders and give it out by contract.

Item agreed to.

Maintenance and operation of roads and bridges—
317. Kingston, Lasalle causeway, $34,604.

Mr. MacNICOL: Will the minister tell the committee why there is that increase? Work has been going on for several years on that bridge.

Mr. FOURNIER (Hull): The increase is due to the replacement of the office building and storeroom which cannot be repaired. It cannot be heated and is totally inadequate for the present needs.

Item agreed to.

Maintenance and operation of roads and bridges—
318. New Westminster bridge, $43,321.

Mr. REID: How much money is in the New Westminster fund?

Mr. FOURNIER (Hull): Estimated free balance at March 31, 1947, $205,232.97.

Mr. REID: Is a survey being made regarding the long span?

Mr. FOURNIER (Hull): Mr. Prattley is out there investigating at the present time.

Item agreed to.

Engineering branch—Construction, repairs and improvements—harbours and rivers—Nova Scotia—

320. Ballantyne's Cove—breakwater repairs, $57,000.
Bay St. Lawrence—towards harbour repairs and improvemenls (revote $60,000), $100,000.
Breen's Pond—breakwater replacement (revote, $32,000), $103,500.
Bridgewater—repairs to railway wharf (revote), $15,600.
Brooklyn—repairs to wharf and breakwater, $25,000.
Canso—wharf reconstruction (revote), $22,000.
Clarkes Harbour—wharf reconstruction and extension (revote), $27,000.
Cow Bay (Port Morien)—towards breakwater reconstruction and dredging (revote), $170,000.
Creignish — breakwater-wharf reconstruction (revote $10,000), $24,500.
Digby—repairs to piers, $23,000.
Dingwall—dredging (revote), $75,000.
Drum Head—wharf replacement, $130,000.
Feltzen South—breakwater—wharf replacement, $97,000.
Ferry landings at Tiverton, East Ferry Freeport and Westport (revote), $300,000.
Glace Bay—wharf reconstruction (revote $35,400), $85,000.
Harbours and rivers generally—for maintenance of services, and for repairs and reconstruction due to extremely heavy storms during 1944 and 1945, no new works to be undertaken, $755,000.
Ingonish Ferry—wharf repairs and improvements (revote $30,500), $35,500.
Iona—wharf reconstruction (revote $101,000), $128,000.
L'Ardoise Beach—breakwater extension (revote $14,000), $19,000.
Little Anse—breakwater replacement (revote $52,000), $148,000.
Liverpool—redredging, $115,000.
Lockeport—wharf reconstruction (revote $16,000), $22,000.
Louisburg—wharf, $247,000.
McDonald's Cove—breakwater (revote $20,000), $46,000.
Meteghan—breakwater replacement (revote $68,000), $173,000.
Newellton—wharf repairs, $21,000.
New Glasgow—wharf repairs, $70,500.
New Harbour — breakwater reconstruction (revote $99,700), $194,000.
Parker's Cove—habour repairs and improvements (revote $125,000), $130,000.
Petite Riviere—breakwater repairs, $22,000.
Pictou—towards restoration of harbour facilities (revote $100,000), $200,000.
Pictou—wharf repairs, $27,500.
Pictou Island—breakwater-wharf replacement (revote $75,000), $111,000.
Port Beckerton (West)—wharf reconstruction (revote), $16,000.
Port Hawkesbury—wharf repairs, $144,000.
Port Maitland — breakwater reconstruction (revote $100,000), $112,500.
Port Mouton—dredging, $55,000.
Pugwash—wharf repairs, $139,500.
Salmon Arm—breakwater repairs, $32,000.
Sandford — breakwater extension (revote $110,000), $118,000.
Ship Harbour—wharf replacement (revote), $15,000.
Short Beach—breakwater repairs, $46,000.
Three Fathom Harbour—causeway (revote $50,000), $52,000.
Trout Cove (Centreville)—breakwater reconstruction (revote $72,000), $176,000.
Upper Whitehead—wharf reconstruction (revote), $21,000.
West Head—wharf reconstruction (revote $62,000), $70,500.

Mr. FRASER: I do not know just exactly where I can ask the minister this question, but the other day he told me he would get me some information about the buildings occupied by the film board. I do not want the estimate to slip through before I get that.

Mr. FOURNIER (Hull): Perhaps I could just stop at this item. Does the hon. member want this put on *Hansard*? It is quite a long list.

Mr. FRASER: If I could have, it would be satisfactory.

Mr. FOURNIER (Hull): It is a complete list with all the information the hon. gentleman asked for. It gives all the buildings occupied by the film board.

Mr. FRASER: Does that cover the new colour film theatre which is being built for

the film board? The board has two theatres now, and another one is being built for them.

Mr. FOURNIER (Hull): I am informed that we are not building any theatres. If someone else is, I do not know. Those are all the buildings occupied by the film board in which Public Works has any interest. There are two government-owned buildings and there are ten other buildings completely or partly rented for the film board.

Mr. FRASER: The board has two film theatres now, but I understood at the corner of John street and Sussex—

Mr. FOURNIER (Hull): That would be our building.

Mr. FRASER: Yes. I understood that in the basement they were putting up a theatre for colour films. Is that included in this?

Mr. FOURNIER (Hull): The only item I see is this: The annual maintenance for the building on Sussex street, where we have ten thousand square feet of space, is $12,146. But I am informed that there is a kind of little theatre in the basement of that building.

Mr. FRASER: That is not included in this list.

Mr. MacLEAN: I should like to know what is being done at Bay St. Lawrence. I understand tenders were called but nothing was being done. That is a revote from a year or two ago. There is another one in connection with Ingonish harbour.

Mr. FOURNIER (Hull): I understand that tenders were advertised on May 7, but we received no bid.

Mr. MacLEAN: Is it possible to have something done? This thing has been in abeyance for several years. Most of these men make their living by fishing, and are in pretty hard circumstances because of lack of wharf facilities.

Mr. FOURNIER (Hull): I will make inquiries in the department with a view to finding out what is holding up the advertising for new tenders. But the first time we asked for tenders we received no bid.

Mr. MacLEAN: How far has the department gone with the proposed wharf at North Sydney? I have received a good deal of correspondence about it.

Mr. FOURNIER (Hull): At one time I gave an answer to the hon. member who has just asked this question. So far we have two wharves at North Sydney, and we are not definite on our future projects there. We are still considering the question asked by the hon. member.

Mr. McCULLOCH (Pictou): Will tenders be called for the wharf at Pictou?

Mr. FOURNIER (Hull): On July 1 or July 2.

Item agreed to.

Construction, repairs and improvements—harbours and rivers—Prince Edward Island—

321. Charlottetown — wharf reconstruction and improvements, $50,000.

Harbours and rivers generally—for maintenance of services, no new works to be undertaken, $90,000.

Montague—wharf reconstruction (revote $30,000), $40,000.

Naufrage Harbour—retaining wall (revote $2,000), $4,000.

North Lake—pier extension (revote $8,000), $11,000.

Red Head—harbour improvements (revote), $6,500.

Rocky Point—wharf reconstruction, $9,000.

Souris—breakwater repairs (revote $45,000), $56,000.

Summerside—repairs to railway wharf (revote), $9,000.

Tignish—repairs to breakwaters (revote $45,000), $65,000.

Wood Islands—towards wharf improvements—(revote $30,000), $75,000.

Mr. McLURE: In reference to the wharf at Charlottetown, I believe most of this money was spent last season. Is it intended to further repair the wharf on the opposite side, in order to accommodate all the shipping?

Mr. FOURNIER (Hull): That contract was let last year, in the amount of $374,627, to J. P. Porter and Sons Limited; and this amount is to complete the contract.

Mr. MacNICOL: The last item is an amount for wharf improvements at Wood Islands. It is about time something was done there. To me the facilities at that point are so out of date that they simply discourage any tourists from taking their motor cars across that channel. When the ship arrives at Wood Islands they wish they had not crossed at all.

Mr. FOURNIER (Hull): We shall be asking for tenders for this work this year. Last year we asked for tenders—

Mr. MacNICOL: And did not get any?

Mr. FOURNIER (Hull): We got them, but for twice the estimates of my engineers, and I did not have sufficient funds. This year, however, we have put in an estimate we think will be sufficient to get the work done. If I remember rightly the tenders received last year were for almost twice the amount we had estimated for this job, but I am told our own dredges are working there now.

Mr. MacNICOL: It is the wharf I am speaking about, under the last item. I believe

the people of Prince Edward Island would welcome an increased expenditure at this point of $45,000. Certainly it is not being made before it is required. This is a good opportunity to give that beautiful island a proper entrance.

Mr. FOURNIER (Hull): Here is the explanation. Tenders were called on that item, to be returned July 17, 1946, but no bids were received. On July 20 the district engineer reported that it would be impossible to perform any part of the steel construction by day labour, and suggested that an offer be obtained from Porter and Sons. On September 13, 1946, the district engineer submitted a tender from Porter and Sons totalling $81,275. The department decided not to accept this bid, pending a report on additional work requested by the Northumberland ferries.

Mr. McLURE: I am very glad this item is here, with an extra $45,000 voted this year, for the improvement of the Wood Islands harbour, and particularly the wharf. Those people have waited for some considerable time, and now that the improvements are to be carried out I just want to say this is one of the most essential points in connection with transportation, especially during the tourist season, when a great many people come there. As the hon. member for Davenport has said, these facilities were not in very good condition, and were a bad advertisement for the province in general. With this money being voted I hope the repairs will be begun this summer. Did I understand the minister to say the contract had been let already?

Mr. FOURNIER (Hull): They are going to ask for tenders in the near future.

Mr. KIRK: I wonder if I could have the privilege of going back to item 320 for a moment.

The DEPUTY CHAIRMAN: Very well.

Mr. KIRK: Item 320 contains an amount of $170,000 for Cow bay. I wonder if this amount is sufficient for that work. My information is that it is not nearly enough. A few moments ago in reply to the hon. member for Cape Breton North-Victoria the minister said they did not get any bids for the work at Little Anse. I sometimes wonder if when these amounts in the estimates become known to our contractors they do not simply say, "Well, there is only so much allotted for this work and it is not enough", so they do not bother tendering. That may be one reason why no bids were received in connection with the work at Little Anse; and in my opinion the work at Cow bay will cost much more than the amount set out here.

Mr. FOURNIER (Hull): I understand the plans and specifications are ready and that tenders will be called shortly. This is only a partial vote toward the construction of that project. Tenders will be asked some time during July.

Mr. KIRK: If you are going to ask for tenders, and contractors down there know that only $170,000 is in the estimates while the work is going to cost perhaps fifty per cent or a hundred per cent more, they will be scared off.

Mr. FOURNIER (Hull): If he will look at the plans and specifications no contractor will worry about the estimate; he will base his figure upon the plans and specifications. We often have these items "toward" some project because we know more than that amount cannot be expended during the fiscal year, so we do not put in the entire amount. But that does not change the plans and specifications.

Mr. KIRK: I know that, but the contractor knows how much he wants per cubic yard for fill or rock fill or cribwork or anything else. Then when he totals all the quantities shown in the specifications he says, "Well, this is away over $170,000, and I am not interested".

Mr. FOURNIER (Hull): But if he reads the estimates he will see it says: "Towards breakwater reconstruction and dredging". It is not for the complete project; it is towards the construction.

Mr. KIRK: Well, I hope the contractors will understand that.

Mr. FOURNIER (Hull): Oh, they are quite clever.

Item agreed to.

Construction repairs and improvements—harbours and rivers—New Brunswick—

322. Baie Ste. Anne—towards construction of wharf, $30,000.

Bay du Vin River—wharf extension, $6,000.

Caissie's Cape—breakwater reconstruction and dredging (revote $50,000), $130,000.

Caraquet (Young wharf)—dredging (revote $35,000), $37,000.

Cocagne Cape—wharf extension and repairs (revote $18,700), $25,500.

Cocagne Church—wharf extension and repairs (revote $16,900), $22,000.

Dalhousie—wharf reconstruction and dredging (revote), $30,500.

Grande Aldouane—wharf repairs and improvements (revote $11,000), $14,500.

Harbours and rivers generally—for maintenance of services, no new works to be undertaken, $160,000.

Leonardville—wharf reconstruction (revote $50,000), $70,000.

Little Cape—towards breakwater replacement (revote), $50,000.

McEachern's Point—wharf extension (revote) $14,000.
Miscou—wharf repairs and extension (revote $13,000), $23,000.
Point Sapin—breakwater repairs, $21,500.
Richibucto Cape—repairs and improvements to harbour works (revote), $5,000.
St. Olivier—wharf reconstruction, $25,000.
Seal Cove—repairs to breakwaters, $28,000.
Welchpool—towards wharf replacement (revote), $75,000.

Mr. HAZEN: When the estimates of the Department of Public Works were before the committee last week the hon. member for Halifax quite properly brought to the attention of the minister the position of the fishermen residing in a number of districts in his constituency. If I recall correctly, during the course of his remarks the hon. member said that many members of this house did not understand the needs of our fishermen. It is not to be expected that men who represent inland constituencies would realize the needs of these men; but I represent a constituency that faces for many miles along the picturesque but rockbound coast of the Bay of Fundy, and along that coast live many men who earn their livelihood by casting their nets into the sea. These men look to the Department of Public Works for proper wharves at which to moor their boats, load their supplies and unload their catch; for proper breakwaters which will protect their craft from stormy weather, and for sufficient dredging to permit clear tide under the keels of their vessels when passing in and out of their harbours and seeking anchorage. On one or two occasions I brought to the attention of the minister certain dredging that required to be done at a place known as Dipper harbour, in St. John county, I should like to take this opportunity—the minister need not look it up in his book—to thank him on behalf of the fishermen who reside there for the work that has been done, which enables them to get in and out of the harbour and to look after their catches.

There is some other work to which I would direct the attention of the minister and the officials of his department. First the wharf at the village of Lorneville in the county of St. John is badly in need of repairs. I realize that during war years it was impossible to have necessary repairs made. But as a result of storms this wharf, like many others, has been practically destroyed, and it is important that it be rebuilt. I wish I had the opportunity to show the minister that pleasant village which fronts on the sea, and also the condition of its wharf.

I note that in item 320 there is an item of $103,500 for a breakwater at Breen's Pond, and also $170,000 for a breakwater at Cow Bay, and $128,000 for a wharf at Iona. However there is nothing for this breakwater at Lorneville, a prosperous community which was settled many years ago. The people there earn most of their livelihood from fishing. I hope the minister will give further consideration to the repairing of that wharf.

There is a breakwater at a place called Chance Harbour in St. John county which is badly in need of repairs. I do not think it would cost a great deal to make those repairs, and I would direct the minister's attention particularly to the repairs required at that point.

I would call his attention to the harbour at St. Martin's in the county of St. John, where certain repairs to the wharf are required.

If I am in order, I would call the minister's attention to the condition of the lighthouse at East Head in St. John county. The keeper of the lighthouse and his family must reside in the lighthouse building, and it is in a bad state of repair. Water gets in, and in stormy weather the wind blows through it.

Mr. FOURNIER (Hull): Lighthouses would not come under this item. I believe that would come under the Department of Transport.

Mr. HAZEN: Under the vote for repairs to roads and bridges would the minister's department be responsible for the road leading to that lighthouse? The lighthouse keeper must take his children along that road to school, and in some seasons of the year it is almost impassable.

Mr. FOURNIER (Hull): All the requests made by the hon. member will be looked into by my officials, and reports will be prepared.

Item agreed to.

Construction, repairs and improvements—harbours and rivers—Ontario—
324. Belleville—harbour improvements (revote), $56,000.
Brighton Bay—redredging channel, $250,000.
Bronte—reconstruction of pier (revote), $127,000.
Cockburn Island—reconstruction of harbour works, $22,500.
Collingwood—harbour reconstruction and improvements (revote), $247,000.
Fort William—dredging, $250,000.
Goderich—repairs to harbour works, $25,000
Grand Bend—repairs to north pier (revote $56,000), $58,000.
Gros Cap—breakwater-wharf (revote $14,300) $16,500.
Gull Bay—wharf (revote), $6,300.
Hamilton—towards harbour improvements, $300,000.
Harbours and rivers generally—for maintenance of services, no new works to be undertaken, $275,000.
Hudson—wavebreak boom (revote), $6,500.

Kenora—repairs to wharves (revote $30,000), $44,000.
Kingsville—harbour repairs and improvements, $140,000.
Meaford—revetment wall (revote $29,000), $38,000.
Meaford—dredging (revote $25,000), $27,000.
Midland to Parry Sound—towards dredging inside channel, $200,000.
North Bay—wharf extension (revote), $17,000.
Oakville—reconstruction of east pier (revote $123,000), $157,000.
Ottawa—(Rideau river) repairs to walls and tailrace (revote $18,500), $51,000.
Parry Sound—wharf (revote $8,500), $9,000.
Pelee Island—wharf improvements (revote), $28,000.
Picton—to take over and reconstruct wharf, $10,000.
Port Arthur—dredging, $290,000.
Port Arthur—breakwater (revote $172,000), $400,000.
Port Arthur—repairs to breakwater (revote $200,000), $283,000.
Port Bruce—reconstruction of pier (revote $25,000), $31,000.
Port Colborne—breakwater repairs, $25,000.
Port Elgin—breakwater repairs, $71,200.
Port Hope—harbour repairs (revote $140,000), $160,000.
Port Rowan—harbour repairs and improvements, $29,000.
Rainy River—wharf reconstruction, $10,000.
Salmon Point—breakwater extension, $13,000.
Sault Ste. Marie—wharf reconstruction (revote $25,000), $36,000.
South Baymouth—wharf reconstruction and extension (revote $34,200), $43,000.
Thames River—redredging (revote $31,000), $36,000.
Tobermory—wharf and dredging (revote $91,000), $104,000.
Whitby—towards repairs to harbour works, $100,000.
Wolfe Island (Marysville)—to take over and rebuild wharf (revote), $25,000.

Mr. WEBB: Under this item I should like to refer to the wharves at government islands in the St. Lawrence. At the present time people cannot use them, and I receive many letters from those who wish to do so.

Mr. FOURNIER (Hull): Is the hon. member referring to Wolfe Island?

Mr. WEBB: No, I believe there are parks on them.

Mr. FOURNIER (Hull): They would come under the Department of Mines and Resources.

Mr. WEBB: Would not the maintenance of the wharves come under the minister's department?

Mr. FOURNIER (Hull): The hon. member would get that information from the Department of Mines and Resources.

Mr. WEBB: I believe it would be well at some time to make it clear under which department they come. I have approached about four departments, including Transport and Public Works.

Mr. FOURNIER (Hull): I will look into the matter, but I am not too sure that we own those wharves. The only one we have in that district is the one at Wolfe Island.

Mr. WEBB: I have been told by some officials that expenditures over a certain amount on these docks are handled by the Department of Public Works. I have not been able to have the matter straightened out. Does the minister think that the care of wharves at government parks in the St. Lawrence would come under the Department of Mines and Resources?

Mr. FOURNIER (Hull): I am relying upon the information given to me by my officials. If these wharves are in parks I believe they would come under the Department of Mines and Resources.

Mr. WEBB: Undoubtedly the islands do, but would that department also have control of the wharves?

Mr. FOURNIER (Hull): Many wharves on the great lakes and the rivers do not belong to the government.

Mr. WEBB: I am not referring to private property.

Mr. FOURNIER (Hull): If the Department of Mines and Resources ask us to do work, that department supplies the vote and is responsible for it. I have no knowledge that we have done work at that point with respect to wharves belonging to that department.

Mr. WEBB: In other words it would be up to the Department of Mines and Resources to refer the work to the minister's department?

Mr. FOURNIER (Hull): If there was repair work to be made on a wharf, the Department of Mines and Resources would have the vote and this department would do the work. That would be the ordinary procedure.

Mr. WEBB: Thank you. I understand this is not under the minister's department.

Mr. ROBINSON (Simcoe East): I am pleased to note an item for dredging inside the channel from Midland to Parry Sound. I believe sufficient representations have been made to the minister and his officials as to the necessity for proceeding with this work this year. How much will be done in 1947?

Mr. FOURNIER (Hull): This is only a part of a larger plan for dredging in that district. We will do part of it this year, but just what amount I cannot say.

Mr. MacNICOL: There is an item for Gull Bay wharf. Is that the one on Lake Nipigon?

Mr. FOURNIER (Hull): This amount is required for the construction of a wharf for the use of Gull Bay Indian reserve and the Hudson Bay Company post. It is in Port Arthur.

Mr. MacNICOL: Not in Port Arthur.

Mr. FOURNIER (Hull): It is on Lake Nipigon, in Port Arthur riding.

Mr. MacNICOL: That is right. What happened to the wharf? I have been there and know the wharf and am glad to see that it is being extended and repaired. That is all that is being done?

Mr. FOURNIER (Hull): This is for an extension of facilities in that district. The industries that are served by the wharf are fisheries and pulpwood.

Mr. MacNICOL: There are no industries there. It is a wharf on an Indian reservation called Gull Bay. There is a Hudson Bay post there. The boats that come into that wharf are small; even the largest boat there is still very small. However, I am quite in accord with the vote. I am not opposing it at all.

I have a question to ask about the Thames river redredging. Is this for redredging the mouth of the river, and if so, for what purpose?

Mr. FOURNIER (Hull): This amount is required for the completion of the contract awarded by order in council dated October 17, 1946, to the Chatham Dredging and Contracting Company. It is to redredge the lake approach and widen the channel at two points in the river to provide sufficient depth for boats drawing at least twelve feet of water.

Mr. MacNICOL: I am quite in accord with this vote. I thought it might have been for another purpose, to permit the Thames river floods to run off more quickly into the lake.

Mr. FOURNIER (Hull): It will have that effect too, I am told.

Mr. MacNICOL: I am glad to hear that. If this question is not in order, the minister need not answer it, but has not the time come for the department to consider other methods to enable the flood waters of the Thames river to run off more rapidly? A disastrous flood occurred there in the spring of this year, and I doubt if the water has yet run off all the farm lands in Essex and Kent counties. For a long time there have been suggestions that a canal should be cut from near Wardsville on the Thames river across to lake Erie so that the flood waters could more rapidly run off into lake Erie instead of flooding the two fine counties of Essex and Kent. I know the minister has an inquiring mind and likes to travel around; I suggest to him that the first chance he gets he should go up to that part of Ontario, to the mouth of the Thames river, and see for himself just what could be done. It is all foolishness to continue the way we are doing. Real vision has to be exercised to plan how the run-off water can be got more quickly into the lake. One of these times, if something is not done to prevent it, we are going to find Chatham under fifteen feet of water. I was afraid of that this spring. The result would be colossal destruction. The minister is inquiring and enterprising, and I suggest that he take the bull by the horns himself and initiate efforts through his department to make possible a more rapid run-off of the water from the Thames river.

Mr. WARREN: I have been searching in vain for an item which in my opinion ought to be in the estimates. I suggest to the minister that he include in the supplementary estimates an item to take care of a desperately urgent situation on the Ottawa river. I notice that the items in this vote deal with construction, repairs and improvements. I want to speak of a necessity of which the minister is well aware, and that is the construction of a bridge between Ontario and Quebec across the Ottawa river in the neighbourhood of Pembroke. The minister has voluminous files in his office regarding the necessity for this bridge, the need for which has existed for half a century but has grown greater as the years have gone by and traffic has increased. It is true we have a ferry service there which is fairly adequate during the summer months, but during the early cold weather, when the ice begins to form, traffic is completely stopped for a matter of weeks, and the same thing occurs in the spring of the year when the ice is becoming honeycombed. It might be wondered why one who is on the Ontario side, as I am, should be interested in the construction of this bridge. But all of us in different municipalities on the Ontario side are interested because for the great body of farmers on the Quebec side Pembroke is the logical marketing centre, and if they are to be held up from marketing their products there in the fall and again in the spring, it is not fair either to the business of Pembroke or to the farmers on the Quebec side of the river.

One of the saddest features about the lack of a bridge is that you can never be sure of the number of people who die because of the difficulty of getting to a hospital or of getting a doctor when traffic between the two sides of the river is stopped. I have known

numbers of people who just by good fortune have managed to get to a hospital during the fall months when the ice is forming. When they cannot get across by the ferry they have to go around a distance of a hundred miles, and sometimes it is impossible because of the condition of the roads to get through with a motor car.

I know that this is an interprovincial matter and that so far we have not had approval or cooperation from either province. But I am pleading with the minister to put an item in the supplementary estimates so that we shall have something definite and positive with which to go to the officials of the province and ask them for their cooperation. I know it is nothing new. The minister has had recommendations scores of times from scores of municipalities, from boards of trade and other organizations on both sides of the river urging the building of this bridge. The minister was good enough to have a survey made, but, so far as I know, up to now no estimate has been made of the cost. The cost should not be excessive, because by building this bridge by way of Morrison's island two islands could be used, which would mean three spans, In my opinion this is something which should not be long delayed. If the minister would take this action we would be in a position to approach the provinces with something definite and say: Here is the cost, and here is your proportion of it. In this way we might succeed in getting cooperation.

Mr. WHITE (Middlesex East): Following up what the hon. member for Davenport has just said about the Thames valley, there were two or three questions I was going to ask the minister in that regard, but since he spoke about the deepening and widening of the bends on the river Thames there are two or three other things I wish to bring to his attention. When the agriculture estimates were up I addressed a question to the Minister of Agriculture about prairie farm rehabilitation and asked him whether it would be extended to provinces other than the three prairie provinces. I had hoped that it would be adapted to the Thames valley plan of conservation of soil. I shall read the short reply that the Minister of Agriculture gave me so that the Minister of Public Works will understand why I am asking this question at this time. I am quoting from page 4319 of *Hansard:*

> The works which were undertaken in the Grand river in Ontario, in so far as the dominion had anything to do with them, were undertaken by the Department of Public Works just as the works on the Fraser river in British Columbia have always been undertaken by the Department of Public Works. Similar projects all over Canada have been undertaken under votes provided for public works. If there is any work of that kind to be done in Ontario it will come up under the public works vote here rather than agriculture.

When the proper authority is set up in the Thames valley, which includes some sixty-one municipalities in a length of river of some 200 to 250 miles, will the minister assure the people of that valley of the same assistance as was granted to the Grand river area? One of the reasons why it was not entered into at the spring meeting in London was the fear that owing to the announcement that the prairie farm rehabilitation scheme would not be extended to other provinces, the municipalities concerned would be saddled with the expense. They were afraid it would mean additional taxation on their land. At the moment it is too high. They did not want to enter into a scheme which would tax the farmers beyond their limits. The minister will understand that in the past, taxation was imposed on the farmers to drain this land; now they are to be taxed to dam it back. I should like to have that assurance from the minister.

Mr. GLADSTONE: With reference to the Grand river scheme in Wellington county, it originated with the municipalities along with the provincial government. When the scheme was under way the dominion government came in and contributed equally with the provinces. I think the two together contributed seventy-five per cent.

Mr. MacNICOL: They contributed 37½ per cent each.

Mr. GLADSTONE: And the municipalities 25 per cent.

Mr. FOURNIER (Hull): During the depression years.

Mr. WHITE (Middlesex East): I understand what the hon. member for Wellington South has said. I am presuming that the municipalities will take the initiative. The municipalities would like to know just where they stand so far as the dominion is concerned.

Mr. FOURNIER (Hull): The Grand river project originated during the depression years. A commission was formed and had plans prepared. The surrounding municipalities agreed to pay 25 per cent of the cost, the Ontario government 37½ per cent, and if I remember correctly I believe at that time the federal government agreed to pay 37 or 38 per cent. It was carried out under votes appropriated in the house for relief during depression years. I am trying to recall whether

the vote went through the Department of Public Works or the Department of Labour. They used our facilities, our technical men, for that project. There is nothing in the Public Works Act which gives any jurisdiction to my department to do works with reference to land. The works we do are to take care of navigation. I would not commit myself—and it has not come before the government—as to any expenditures of a provincial and federal character. That would be a policy to be determined by the government. I would not like to make any definite statement myself on a proposal such as that, though I know all about this Grand river project; my department was part of it.

Mr. BRADSHAW: Will the minister say that the Thames river work is all for navigation purposes?

Mr. FOURNIER (Hull): That is what I am told, and that is the report of my engineers. It would help flood conditions, but the purpose is navigation.

Mr. BRADSHAW: As a representative of a county which is very much affected, namely, Perth county, where the head of the river Avon, which is the source of the Thames river, originates, may I say that conditions there this spring were bad. Something should be done.

Mr. FOURNIER (Hull): Perhaps the hon. member is right. I do not know whether it comes under the jurisdiction of my department. If he had been here in the months of May and June he would have seen the same conditions right in this district. One thing I am sure of is that it does not come under the statute having to do with public works.

Mr. WHITE (Middlesex East): While the minister has not said yes, there is a possibility that either his department or some other department will take up this burden? He will not say no?

Mr. FOURNIER (Hull): No; I never put any finality to a question of that kind. I do not know what the governments of the province and the dominion may do to help these conditions, but as Minister of Public Works I would not lay down the policy of the government on projects of the kind.

Mr. BOUCHER: Reverting to the undertaking mentioned by the hon. member for Vancouver North, I should like to add my voice to his in emphasizing the necessity of a bridge across the Ottawa river at some place north of this city. Some time ago this matter came to the minister's attention and he did make a statement in favour of it. May I point out also that some considerable time ago engineers surveyed the possibility of constructing a bridge across the Ottawa river from Ontario to Quebec. I believe soundings were made in many places. At that time I understand the report recommended that the bridge be constructed across the river at Fitzroy Harbour, which is some thirty or forty miles north of Ottawa. While on that point I might point out to the minister that that would be the place to build the bridge which is needed; it would be advantageous to the community and would not be a great expense to the country. It would satisfy to some extent the requirements of the hon. member for Renfrew North and would be more satisfactory from the standpoint of the public. I would also point out that if a bridge were built at Fitzroy Harbour it would suit the purposes of the federal district commission, who are acquiring property on both sides of the Ottawa river to further the capital improvement plan. I believe a bridge in that location, set aside for federal purposes, would serve a very useful purpose.

May I refer the minister to an item which was voted last year for repairs to walls and tail races on the Rideau river. The amount last year was $18,500 and that has been increased to $51,000. We in Ottawa and in the surrounding districts realize that the bases of the canal and the tail races are in a very bad state of repairs now and urgently need attention. I had hoped that much more would have been done last year than was done, and I am pleased to see that there is an increased appropriation this year; because while one should not recommend expenditures at this time, one must realize that economies can be effected by keeping existing works in proper condition. I am sure the minister knows as well as I do that the banks of the canal and the Rideau river through Ottawa, affecting the townships of Nepean and Carleton particularly, require a great deal of maintenance and that work has been neglected in the past. I therefore urge that the minister not only obtain an appropriation of $51,000 this year but make sure the work is done in the coming year.

Mr. FOURNIER (Hull): As to the erection of two bridges on the Ottawa river north of Ottawa, the suggestion of the hon. member is that we put up a bridge between Fitzroy Harbour and Quyon. We did survey a project in that location. The next one would be at Pembroke near Morrison's island. We also surveyed that locality. Our engineers went up there. The Ottawa river is an inter-

provincial waterway and bridges across such rivers are generally built by contributions from each of the three governments. Perhaps, the hon. member recalls the bridge between Hawkesbury and Grenville. If I remember rightly, each of the three governments put up one-third of the expenditure and the Department of Public Works gave the contract. I understand that these are among the post-war projects, but we do not believe the time has come when we can even get the materials and labour to start them. The same arguments that apply to buildings would apply here. There are necessary projects, and I would not be discouraged if I were the hon. member. Personally I know the location very well, and I am sure they are needed, but as to the exact time when the governments will get together and undertake them I cannot say.

Mr. WARREN: Would the minister consider making an estimate of the cost at the present time and, going a little further than that, will he bring in an item in the supplementaries to take care of it?

Mr. FOURNIER (Hull): As to estimates, we did make a survey of the possibilities of building a bridge at the points suggested and the report, though not final, would indicate that these three bridges, because there would be three bridges, would cost around $1,500,000.

Mr. MacNICOL: As this is the last vote for Ontario projects I am going to ask the minister to include in the supplementaries something to meet the conditions which are now causing so much destruction along the shores of lake Ontario.

Mr. FOURNIER (Hull): Requests have been made by several members from Toronto that the department make a survey and report upon the damage caused by flooding in Toronto harbour. We gave instructions to our engineer, Mr. Wilson, to make that survey and report to the department. Before that report is received, though I am sympathetic to these works, I would not dare to make a commitment at this stage. I shall have to see Mr. Wilson's report first. I could name nearly every member from Toronto who has been making representations regarding the damage, and our engineer is working on the report right now. In our estimates we have an item for Toronto harbour improvements.

Mr. MacNICOL: That was not what I had in mind.

Mr. FOURNIER (Hull): The hon. member is not referring to the damage of the last week or so?

Mr. MacNICOL: It is far bigger than that. The situation is far beyond anything that estimate would cover.

Mr. FOURNIER (Hull): But I have not given the amount.

Mr. MacNICOL: It would not make any difference what it is. What I am speaking of is far beyond that. I was on Toronto island two days ago and I may tell the minister that a further rise of two inches in the lake level will cover much more of the island. One half of the island is today under water. The situation is a serious one. The minister and his department are not one iota to blame. The reason for the trouble is that we are pouring into the great lakes watershed 5,200 cubic feet of water per second that God never intended should flow into it, and I do not see any hope for results from the works which the department is at present carrying out. The reason for the condition I speak of is the continual increase in the lake level. The lake level is rising because of the pouring into that watershed of water that should not be there.

Is the minister familiar with the picture I am trying to give him? There is a natural lake level, high and low water, and today it is beyond anything recorded in the history of the country. It is higher than it has ever been known to be; it will continue to rise, and there is no way of stopping it unless some action is taken to prevent water from being poured into the St. Lawrence watershed—water which, I emphasize, has no business to be there. We are pouring water in from the Albany river watershed into the St. Lawrence watershed. The engineers will say they did that to obtain a greater production of hydro electric power, but they did not need to do it for that purpose. All they had to do was to use the power potentialities that were available to them on the Nipigon river. I know they are producing more power at Alexander falls, but they could have made another power house at Virgin falls. Certainly the result is one that this country will have to look into promptly.

Tomorrow, seeing that I have not the time today, I am going to write to the mayor of Toronto suggesting that he take action for damages. The people on the shores of the great lakes have rights and those rights are now being destroyed by this influx of water into the watershed. They can sue this country, and the people all along the United States shore can also bring action against their government. It is a problem the minister will have to look into seriously, and on another estimate, at a more suitable time, I shall have something more to say about it.

Our trouble is not the increased rains. It may be the result of those diversions. I do not know. Nobody else knows. I do not care what anyone says; they do not know any more about it than I do. Maybe the design of Providence has been dislocated, the flow of water as well as the flow of air. But the fact is that lake Ontario is at a higher level than ever before in its history. I am thinking of the docks which are being built at Bronte and Oakville. I am for them, but will they be high enough? Will any of the docks be high enough? The water is almost up to the top of the breakwater along the Toronto waterfront. The least wave goes over the top of it. That is as a result of too much water being poured into the great lakes watershed. That is a matter to which the government itself will have to give very serious attention. As I said a moment ago, I intend to write to the mayor of Toronto and tell him that in my judgment he has an action for damages against the government of the country—and I am not blaming any government—for the damage which is now being done on that beautiful Toronto island, which is as beautiful an island as there is in front of any city in Canada. It cannot be fully used this year. We had to walk over planks. The trees and grass will soon die out. That is a problem which I hope the minister and the department will look into. I hope they will try to get behind the necessity for raising the height of the docks, and get back to the cause for the lake levels going up. I know they are going up.

Mr. LENNARD: The minister may remember that I raised this matter the other evening and he told me to refer to it under item 328. It has come up now, and I should like to tie-in with what the hon. member for Davenport has said and draw the minister's attention to the fact—

Mr. FOURNIER (Hull): Would the hon. member permit one question? We are on item 324. If we carry that—

Mr. LENNARD: I have another question to ask on that.

Mr. FOURNIER (Hull): All right.

Mr. LENNARD: I merely wish to tie-in with what the hon. member for Davenport has just said and draw the minister's attention to the fact that the great Niagara fruit belt is gradually being eaten away. It will not be many years before that low-lying bit of land which comprises the Niagara fruit belt will be washed out of existence if present conditions prevail during the next few years. I know of orchards which were there a few years ago but which are non-existent today as a result of these conditions. That is just one area from Niagara-on-the-Lake to well beyond Hamilton which is being seriously affected.

Mr. FOURNIER (Hull): What the hon. gentleman is explaining has happened, not only in that district, but all over the country. My difficulty is that any damage arising through erosion by natural causes does not come under federal jurisdiction. I am most sympathetic. In my own district I have many cases of the same kind; but I have no jurisdiction over them, and I do not think I would have the moneys with which to do anything.

Mr. LENNARD: As the hon. member for Davenport intimated, it is being caused to a great extent by the artificial flow of additional water into the great lakes system.

Mr. FOURNIER (Hull): That is a matter of opinion.

Mr. LENNARD: There is an item here of $300,000 toward harbour improvements at Hamilton. Will the minister tell me the nature of those improvements?

Mr. FOURNIER (Hull): Re-dredging area "A" in Ottawa street slip, to maintain minimum draught of 22 feet and re-dredging and enlarging the turning basin for 17-foot draught, $110,000; to widen Catherine street wharf 20 feet on east side, $150,000; towards construction of additional facilities required in connection with development of the Otis-Fensom property by the harbour commission for industrial sites, $40,000; total $300,000.

Mr. STOKES: The first item in this vote is for harbour improvements at Belleville, $56,000, which is $9,000 less than the vote of last year. What is the nature of this vote, and what was it for? Was some of it done last year by his department?

Mr. FOURNIER (Hull): This vote is required to extend the harbour commission wharf 350 feet in length. The proposed work will reclaim the west half of the present city dump, thereby materially improving the harbour, and will also provide additional storage space.

Mr. COYLE: Has any work been done during the last year at Port Bruce? I see there has been an increase in the estimate.

Mr. FOURNIER (Hull): The contract was awarded to R. A. Blyth for $27,985.40, and the amount voted today is required for the completion of the contract awarded on that date. It was for the reconstruction of the outer end of the west pier which is badly decayed and in need of immediate repairs.

Mr. COYLE: Is the department going to do any work on the Port Burwell or Port Stanley harbour, or does that come under some other item?

Mr. FOURNIER (Hull): I will look into the matter if it is not in these main items; I do not know if there is any provision. At both places mentioned I understand that some dredging will be done.

Item agreed to.

The DEPUTY CHAIRMAN: Will the committee be kind enough to turn to item 326? The hon. member for Lake Centre wishes to go to the radio committee. I think we could deal with this item now.

Engineering branch—construction, repairs and improvements—harbours and rivers—Saskatchewan, Alberta and Northwest Territories—

326. Harbours and rivers generally—for maintenance of services, no new works to be undertaken, $25,000.

Waskesiu lake—harbour improvements (revote $15,000), $70,000.

Yellowknife—wharf (revote $3,000), $23,000.

Mr. DIEFENBAKER: Thank you, Mr. Chairman. As you know, it is difficult to be required to attend a committee and be obliged to wait for these items over a long period of time, particularly when the committee is sitting. I greatly appreciate your courtesy.

I am one of those who do not make application to any of the ministers for expenditures. I have followed that course consistently, because I believe that there can be no substantial reduction in taxation if we all ask for ever-increasing expenditures while at the same time asking for reductions in taxation.

Mr. COTE (Matapedia-Matane): The St. Lawrence does not flow in your riding.

Mr. DIEFENBAKER: I do not know the meaning of that statement, but I intend to deal with a body of water which, as far as Saskatchewan is concerned, was at one time the St. Lawrence of that province for the transportation of wheat and other products. On several occasions I have drawn this matter to the minister's attention. It has to do with a lake in the centre of Saskatchewan, namely, Last Mountain lake. One and a half or two years ago I brought this matter to the attention of the minister and he agreed that I had advanced substantial reasons for something being done. Unfortunately, however, nothing has yet been done. I asked for an expenditure to be made in connection with Last Mountain lake and the raising of its level, which I think does not come under the Prairie Farm Rehabilitation Act, but, in point of fact, comes under the Department of Public Works. I ask that this expenditure be made because it will not be a dead expenditure. It will mean an increase in the productivity of the central portion of Saskatchewan. It will mean the preservation of the finest fishing area in the centre of that province, and also the greatest bird sanctuary there. The hon. member for Davenport knows of the necessity for raising the level of this lake. In November 1945 I drew the matter to the attention of the minister, and at page 2668 of *Hansard* for that year, referring to what I had to say with respect to public works in Saskatchewan, the minister said:

> I believe there is something in what he said about the project for Long Lake and the Qu'Appelle river. I have to repeat that there is nothing in these estimates for these works, but they are kept in mind.

Well, Mr. Chairman, while they may have been kept in mind since November 1945, as the months have passed by the level of that lake has gradually gone down, so I again bring this matter to the attention of the minister. I am not going into it at length. As I pointed out before, this would give work to those who are unemployed. It is a productive public work which will return dividends. It has been recommended over the years; it will mean the preservation of a resource the loss of which to Saskatchewan cannot now be estimated, and it would not require any great expenditure of money. I know a survey has been made in this connection, but having regard to the necessity of the preservation of this lake, connected as it is with the Qu'Appelle valley of which a portion comes under his jurisdiction, I ask the minister once more that consideration be given to the preservation of this resource which over the years, as I said to my hon. friend a few moments ago, has performed a function similar to the St. Lawrence.

Many years ago in Saskatchewan marine insurance was in effect on the ships that went up and down Last Mountain lake. It was the first means of transportation in Saskatchewan for wheat produced north of the main line of the C.P.R. It was utilized over the years until about 1910, when railway transportation made it rather too costly. Today the level of the lake is receding. Successive governments have spoken of its value, but the federal government passes the responsibility to the province, while the province says part of it is navigable waters and within the authority of the dominion; therefore they have no jurisdiction. While the buck is passed back and forth between the two authorities, the lake continues to recede.

I spoke of unemployment, and there is unemployment. We have our share of the 118,000 who are unemployed in the dominion today. This would be a particularly helpful piece of work from that point of view. It would assure the preservation of adjacent areas which, if this lake dries up, will no longer be capable of use as farm lands. It would preserve this source of the greatest fishing industry in the centre of Saskatchewan. Once more I suggest to the minister that he give consideration to this matter; and I wish also to ask what he has done since November 1945, when he pointed out to me that no provision was being made at that time because the war had just ended, but that with the ending of the war public works proved to be self-liquidating would receive first consideration from his department.

Mr. McKAY: Before the minister replies I should like to support what the hon. member for Lake Centre has said. I know this lake very well; and, like all lakes in Saskatchewan, it is very important. It is in the central part of the province, and is slowly disappearing. We have all too few lakes which constitute fish preserves, and this lake is particularly important as a tourist attraction. The people of this area are very much concerned about the way this lake is gradually receding. In a matter of only a few years it may be in such condition that it cannot be used for any purpose whatever.

Mr. FOURNIER (Hull): As I recall the discussion in the house two years ago I can admit right now that when the hon. member spoke of the Last Mountain project and the disappearance of the water from the lake, it was the first time I had heard about it, and I am still quite in the dark. Does the hon. gentleman know if we had a dam there in years gone by?

Mr. DIEFENBAKER: Yes, a dam was there.

Mr. FOURNIER (Hull): And with the building of the railway the lake lost its use, I suppose, and the dam disappeared? What would be the suggestion; that we put up a dam there to conserve the level of the lake?

Mr. DIEFENBAKER: And to permit the conservation of the waters along the Qu'Appelle, and the ultimate diversion of those waters into the lake at periods of the year when the level is low.

Mr. FOURNIER (Hull): It does not come under the P.F.R.A.?

Mr. DIEFENBAKER: No.

Mr. FOURNIER (Hull): It has no agricultural use?

[Mr. Diefenbaker.]

Mr. DIEFENBAKER: No. A certain portion comes under P.F.R.A. That has merely to do with the preservation of water for irrigation or local agricultural purposes. This type of project does not and could not come under P.F.R.A.; at least that is the attitude taken by the officials generally with respect to the extensive work that would have to be done.

Mr. FOURNIER (Hull): If there is no navigation on this lake now how could I spend any money there under the statute?

Mr. MacNICOL: There used to be navigation.

Mr. FOURNIER (Hull): Then my authority would be that these are navigable waters, and we could proceed to conserve the level of the water for navigational purposes? That would be the only way I could justify an estimate for that purpose. The real object would be to keep a natural resource that now exists in that province, so that it will not disappear as time goes on. You have not too much water around there, I suppose, and if one lake should disappear it might have quite an effect on the whole province.

Mr. DIEFENBAKER: It is the only large lake in the centre of Saskatchewan, the southern portion of which has very few lakes indeed.

Mr. FOURNIER (Hull): This was discussed two years ago, and at the time I admitted my ignorance. Today I am beginning to get some idea of it. I inquired if we had made a survey since 1945, and my deputy is not quite sure but thinks our engineer did go out there.

Mr. DIEFENBAKER: That is the information I have.

Mr. FOURNIER (Hull): I have not that report here, but after this discussion I shall look into it. I shall not commit my department to these works, but I should like to know about them. I want to find out if the spending of money at that point for conservation purposes would come under the jurisdiction of this department. I am wondering if the outlay would be heavy; because in the past we have entered into some projects which cost millions of dollars.

Mr. MacNICOL: It would be nothing like that.

Mr. DIEFENBAKER: That is the reason for the survey. I believe the minister's department has operated in conjunction with the administration of the Prairie Farm Rehabilitation Act in a general survey. In order to be of assistance, may I point out that

a committee under the chairmanship of Leonard Plaxton of Regina Beach has furnished the various departments with full information with regard to the matter. Apparently it has not been brought to the attention of the Minister of Public Works.

On November 29, 1945, I went into the matter in greater detail. I would ask that, in the interests of the preservation of a large portion of central Saskatchewan, something be done. The minister has asked why it should be preserved. Last year the shipment of fish from this lake brought a large income to the farmers adjacent thereto.

Mr. FOURNIER (Hull): Would this be a project in which the provincial and federal governments would join?

Mr. DIEFENBAKER: There was set up in 1944 and the spring of 1945, a joint committee composed of dominion and provincial officials, who undertook joint public works for the preservation of our natural resources. I believe this project was discussed and was reported upon favourably.

I have told the minister what I said on the earlier occasion, and have given the page number. Perhaps I need not read it at this time. I might add however, that our water fowl are disappearing for lack of sanctuaries. Ducks Unlimited have spent a great deal of money to preserve the habitat and nesting places of our wild life. This is one of them. When I went to Saskatchewan as a boy there were millions of wild ducks, and tens of thousands of wild geese, wild turkeys and cranes. They have disappeared with the drying up of large areas in the province.

This lake, and Redberry lake farther north, are two of the chief sanctuaries in the provinces. That is one reason why something should be done by the federal authorities. I believe the federal government has a responsibility to preserve our wild bird life. There is a convention between the United States and Canada which sets out that everything be done to that end. I advance that also as reason for the minister's giving his best consideration to the preservation of this lake.

Mr. BURTON: I should like to add a few words in support of what has been said by the hon. members for Lake Centre and Weyburn. I was afraid that when the hon. member for Lake Centre had concluded the minister might jump up and say that this matter comes under the Department of Mines and Resources.

Mr. FOURNIER (Hull): I would have, if it were true.

Mr. BURTON: This project is feasible and should be undertaken. I do not care whether it is done by the minister's department, under the Prairie Farm Rehabilitation Act, under the Department of Mines and Resources, or under a combination of all three. Indeed I believe a combination would be appropriate.

Mr. FOURNIER (Hull): The hon. member would not object to our working with the province?

Mr. BURTON: I am certain the province would be willing to do its share. I would take only one exception to what was said by the hon. member for Lake Centre and my colleague the hon. member for Weyburn. When those who live in the southern part of the province speak about anything in the central portion of that southern part they refer to it as central Saskatchewan. I would draw to the attention of the committee the fact that the centre of Saskatchewan is between Humboldt and Prince Albert.

Mr. DIEFENBAKER: It is 100 miles north of Prince Albert.

Mr. BURTON: Furthermore we have other bodies of water in Saskatchewan which, in years gone by, I have drawn to the attention of the minister as being worthy of his consideration. I suggest that he ought not to let those from the dried-out plains of Saskatchewan persuade him that that is the only part of the province. We have in Saskatchewan many bodies of water, and they should not be neglected as Last Mountain lake has been. I suggest that those resources should be cared for. I believe it will be shown in the future that the northern area, which some people do not recognize, will be the basis of some astounding developments.

I note that an amount is to be expended at Waskesiu lake, and that included is a revote of $15,000. This would mean that nothing was spent last year. This year I am pleased to note the amount is $70,000, or $55,000 over last year's amount. If the minister does not make any better progress this year than he did last the vote will be of very little use. Why was the $15,000 not spent last year, and what is the possibility of spending $70,000 this year? I would ask him to remember that we have in northern Saskatchewan rivers and lakes worthy of attention.

Mr. FOURNIER (Hull): Tenders will be asked for this work within a month.

Then, replying to the hon. member for Lake Centre I would say I am not sure that this comes completely under our jurisdiction. However, this matter is of such great interest that, with the assurance given by the hon.

member for Humboldt that the government of Saskatchewan would be willing to study and perhaps to help in this connection, I shall ask our engineer out there to give an estimate. If we have jurisdiction I will try to convince some of my colleagues that this work should be done, especially as the hon. member says there is unemployment in that district. If we have reached the stage where we can start on our post-war projects, this is one in which I would be interested. I am not committing myself, but I am more than interested, and if I go out west in the near future I shall visit that part of the country and see the conditions for myself.

Mr. MacNICOL: I rise to support the plea of the hon. member for Lake Centre, for this is a part of the western provinces which it became necessary for me to make a fairly substantial survey of in connection with the programme to divert waters from the South Saskatchewan river down the Qu'Appelle valley. If the minister will get in touch with the P.F.R.A. engineers—I believe there are some in the confederation building—he will find that they have plans—at least they have them in Regina, and I presume they sent copies here—of what the P.F.R.A. has in mind to do later on. They propose to divert some water down the Qu'Appelle river from the dam they propose to construct near the elbow, for the purpose of irrigation and for the purpose of providing water for domestic use in the cities of Moose Jaw and Regina.

The minister wondered what place his department would have in that programme. His department would have a part in that programme. The P.F.R.A. would deliver the water. Their plans call for diverting some of that water into Long lake to do what my hon. friend the member for Lake Centre has been asking for, to raise the elevation of Long lake, which years ago was higher than it is today. Boats used to operate on that lake many years ago. It was the only means of transportation for a large volume of materials in the early years. The minister's department would at least have control of the dam at the outlet of the lake, which, if constructed for transportation, too, would have locks in it. I believe that will come, because the P.F.R.A. have already created, close to Long lake, a very large body of water which is called Buffalo Pound lake. They have erected other dams in the valley where they have a series of lakes called generally the Qu'Appelle lakes. I presume that the engineers of P.F.R.A. visualize some years hence a certain amount of transportation in that valley, and if that ever comes, navigation works will be constructed by the department of the minister.

[Mr. A. Fournier.]

The hon. member for Lake Centre has touched on an important result that would follow from the elevation of Long lake, namely the conservation of wild life, for which that area is very suitable. Raising the level of the lake would have a big influence on all that part of the province from the point of view of both recreation and conservation, and the hon. member for Lake Centre deserves credit for the energy he has put into advocating this project for several sessions now.

I suggest to the minister that if he goes west this summer, as he said a few moments ago he contemplated doing, he take time off to visit Moose Jaw and drive directly north from there by motor through a very nice part of the country. As he motors north he will pass by Buffalo Pound lake, an artificial lake created by the P.F.R.A. engineers, who will go with him and show him their full proposals for the elevation of Long lake level. Once that work is done, it will come under the control of the minister because there will be a navigable lake, which, of course, would be under the jurisdiction of this government. After the minister has made his trip out west, I am sure that he will come back and have something in his estimates for this project. I presume it will have to be in co-operation with the P.F.R.A., because the P.F.R.A. would have to cooperate with the Department of Public Works and integrate their plans. The two go together. I strongly support the recommendation of the hon. member for Lake Centre.

Mr. JAQUES: I would draw the minister's attention to the condition of the pier in Pigeon lake. This pier was built by the federal Department of Public Works just before the war, and my information is that because of neglect, unless repairs are soon made to the pier it will be past repairing. Its present condition is due more than anything else to ice conditions, but I am informed by local authorities that those conditions could be overcome. I know the pier myself. Pigeon lake is the main lake south of Edmonton. To thousands of visitors who go there the pier means a great deal. I notice that there is no item in the estimates for the repair of this pier.

Mr. FOURNIER (Hull): Do I understand that the government owns the pier on Pigeon lake?

Mr. JAQUES: I do not know that, but I know that the Department of Public Works under the minister's predecessor built the pier just before the war, and so far as I know, no repairs have since been made to it. As a consequence, the pier is in very bad

shape. It cost in the neighbourhood of $15,000, if I remember rightly. Pigeon lake is the main pleasure resort south of Edmonton and the pier is of great use to thousands of visitors.

Mr. FOURNIER (Hull): I will send out an engineer and have a report made. If it is one of our constructions we shall try to keep it in a good state of repair.

Mr. JAQUES: Thank you.

Item agreed to.

Engineering branch—construction, repairs and improvements—harbours and rivers—British Columbia and Yukon—

327. Alert Bay—breakwater (revote $30,000), $36,000.

Bella Bella—wharf renewal (revote), $34,000.

Bella Coola—wharf replacement (revote $94,300), $146,000.

Campbell river—wharf repairs, $35,000.

Columbia river—protection work, $24,000.

Davis bay—wharf repairs and improvements (revote), $16,000.

Fraser river—improvements (revote), $175,000.

Fraser river—protection work on Lulu and Sea islands (revote $23,000), $28,000.

Fraser river—reconstruction of North Arm jetty (revote $115,000), $120,000.

Gibson's Landing—wharf reconstruction (revote $50,000), $65,000.

Harbours and rivers generally—for maintenance of services, no new works to be undertaken, $325,000.

Nanaimo—harbour improvements (revote $60,000), $63,000.

Nanaimo—wharf repairs and improvements (revote), $18,000.

Penticton—breakwater replacement, $16,500.

Port Alberni—harbour improvements (revote $123,000), $185,000.

Prince Rupert—construction, and renewal of fishermen's floats—(revote $22,000), $62,000.

Prince Rupert (Digby island), wharf repairs —(revote), $18,000.

Queen Charlotte City—wharf repairs and extension (revote $16,000), $18,000.

Sidney—reconstruction of approach and repairs to ferry slip, $38,000

Steveston No. 2 road—wharfage facilities (revote), $16,000.

Stewart—wharf repairs (revote), $32,000.

Ucluelet West—wharf improvements—(revote $8,500), $11,000.

Vananda—wharf extension, freight shed and repairs (revote $7,500), $8,500.

Victoria—towards dredging—(revote), $100,000.

Victoria—fishing harbourage (revote $67,000), $100,000.

Westview—replacing fishing harbourage—(revote $305,000), $316,000.

Mr. PEARKES: Regarding the item for the reconstruction of approach and repairs to the ferry slip at Sidney, I would urge on the minister the necessity of having this work done at the earliest possible opportunity. The amount of traffic coming into that port has been growing considerably every year. It takes away from the congestion of the facilities at Victoria. The urgency of a work has been emphasized, not only by the Sidney board of trade, but also by the board of trade at Victoria. There are ferry services coming from the state of Washington and from the mainland of British Columbia where it is the shortest sea journey between the island of Vancouver and the mainland of the province. There is communication between Sidney and all the gulf islands, so that there are ships coming in continually with farmers' produce and other supplies. There are hundreds of cars moved over that approach every week during the summer season. For a long time notices have been put up that this approach is unsafe or is to be used only at the owner's risk, owing to the state of disrepair into which it has fallen. The fact that the great terminal of the T.C.A. is only a mile away at Patricia Bay enhances the importance of this particular port. Furthermore, the port services are putting on new and better facilities this year, with the result that the traffic will still be increased, and it is imperative, before the height of the tourist season comes, that something should be done to repair this particular approach.

I should also like to say that, in order that this work may be of a permanent nature and not have to be repaired every year, it would be most desirable to construct a breakwater just to the south of where the ferry approach now is. That has been given consideration for a number of years, but new suggestions have been made as to the type of breakwater which would make this repair work permanent. I would urge the minister to have this situation reviewed during the coming year, with the idea of seeing whether it would not be possible to erect a breakwater just south of where the ferry approach now is, in order to make permanent the work which he is now putting in, work which is absolutely essential for that growing community.

Mr. GIBSON (Comox-Alberni): I should like to say a few words to the minister with regard to British Columbia generally. Probably the committee has heard quite a lot about that province, but I think it is about time that the public works department and other departments of government got a new appreciation of the way in which British Columbia has been growing in the past ten years and particularly since the war. The growth of the population in that province is acknowledged to be the greatest of any part of Canada. As a matter of fact we have not been in such close contact with the federal government through the medium of the public works department and other public services for as many years as some

of the other provinces. A lot of the work in the construction of piers and breakwaters and that type of thing went on in the maritime provinces, in Ontario and in Quebec many years ago. I say to my hon. friends from the maritimes that I do not begrudge them one dollar that they have received in the past. I do not think they have had enough.

However I wish to point out to the minister that Vancouver island particularly, of which the hon. member for Nanaimo and the hon. member for Victoria have spoken, is one of the places that has developed most rapidly. I could point out to him the necessity of many public works. We are now beyond the item where we are discussing post offices. I am sure that all throughout my riding—and this applies equally to the whole of Vancouver island—the growth of population is such that it is almost a public disgrace what they have to put up with in the line of post office accommodation. So far as breakwaters are concerned, we are in most difficult circumstances.

There is one particular item that I should like to mention. I have discussed it with the minister. I refer to the question of a breakwater for Campbell River. He has heard about that. I would also point out to him the request of the board of trade of Qualicum and the board of trade of Tofino. I am hoping that an item will be placed in the supplementary estimates to give some kind of protection to the wharf at Forde's cove on Hornby island. Actually the difficulty is that every winter they have to move the floats, or else they will wash out. I notice that there is an item in the estimates for wharf extension at Vananda. There is a revote of $7,500. This is one of the places which has had very rapid development, both in logging and in the operations of the Pioneer Gold Mines. They are carrying on a very large development. The Pioneer Gold Mines have spent $300,000, and their request has been for a more substantial dock over which they could take some of their heavy machinery. They require this improvement to land machinery in order to put in a mill on the property. This year the sum of $8,500 is being appropriated, of which $7,500 is a revote. This will provide, I imagine, a new deck or a few new piles for that dock. I am hopeful that the requirements of this port will be looked after, so that the residents will have more adequate facilities.

Mr. HERRIDGE: I want to express the appreciation of some of my constituents in the outlying areas for what has been done with regard to wharf repairs in the past years. One or two new floats have been built. We appreciate the policy of the government in assisting the people who have located in these out-of-the-way places. We have a number of people whose only means of transportation is by steamer, and they very much appreciate money being spent to assist people in these out-of-the-way places. I think everything possible should be done to encourage these people who are willing to go into the backwoods to make a living. At the same time I wish to express the appreciation of the people for what is being done by the minister for these settlers. During the past year much of the work could not be done because of the shortage of labour and material. We know that your officials did attempt to secure the materials, and that they were partly successful and finally were able to build the few structures which were erected during the past year.

I want to draw particularly to the minister's attention the urgent necessity for wharves at three or four places. The first I would mention is that of Trail. During recent years there has been an increase in tourist traffic. I think the minister has some knowledge of this. Many tourists come up from the United States by boat and go into the Arrow lakes. One needs to remember that the city of Trail has an annual production of some $60 million, which adds greatly to the revenue of this country. The municipality, the board of trade, the commerical organizations and all the industries served there are anxious to have some structure erected, so that boats can land in coming up the river. I know a good deal about this, although I am not an engineer. I know the department might hesitate to spend a great deal of money on a structure because of the possibility of developments in the river in the near future, but I suggest that a float could be built which would serve the purpose at Trail for a few years, and later it could be towed up the river and into the lake and used as a floating wharf where replacement was necessary at one of the smaller points. I offer the suggestion to the minister.

Then there is a wharf required in Lardeau, the entrance to the Lardeau valley. Since the early days there has been a very narrow wharf, about ten feet wide. It was erected originally by the Canadian Pacific Railway Company and is now in a state of disrepair or decay. Large quantities of lumbering machinery, mining machinery, heavy materials, groceries and so on move over this wharf. They have to be dumped out on this wharf and carted out by hand some distance over the ground to the road. These people who use the wharf are developing this country. I urge the minister and his officials to give consideration to the needs of these people.

I also hope the minister will consider the requirements of the city of Nelson. I do not know what arrangements are being made, but he knows the situation well. There is a demand there for some improvement in the wharf facilities; a new structure is urgently required.

One final plea. I wish to refer to the question of a very small wharf or float that is required by the small settlement of Dean's Haven. This is a small Veterans Land Act settlement consisting of twenty-five or thirty people. These men have offered to do the work on these wharves for a minimum of expenditure, and I think the department should be as generous as possible to them, seeing that they have gone into the backwoods in an attempt to establish homes for themselves and to develop a small lumber industry. I am interested in noting in the estimates an item of $24,000 for protection work on the Columbia river. Where is that work to be done?

Mr. STIRLING: Can the minister say what progress has been made in implementing the report of the joint engineers on the Okanagan flood control? I am not going to make a speech on the subject, although there is plenty of material. The minister will recall that a joint committee of engineers of the dominion and provincial governments was set up in 1943 and duly reported, making its recommendations. This came about after public meetings and public hearings and after a considerable amount of damage had been done to 100 miles of the lower Okanagan valley as a consequence of the flooding of Okanagan lake. The dominion government is interested in the matter because of the navigability of the water and because, for many years it has operated the control work at the south end of the lake. That control work is inadequate for its purpose, and the tortuous course of the Okanagan river makes it impossible for the flood water to be carried off safely. The municipalities and everyone in the district were extremely interested when this joint committee was set up, but now we want to know what progress will be made with the acceptance or otherwise of the recommendations in the report. I hope the minister will be able to tell me that meetings will be held between him and the provincial government for the purpose of deciding what will be done.

Mr. FOURNIER (Hull): In 1943 a joint committee or commission did make a report. At the time I looked over the report and it is quite a project, involving a considerable amount. The last I heard was that they want us to appoint, without committing the government, someone from the department or the government to continue discussions on the feasibility of an agreement to be made between the British Columbia government and these people. I understand that we shall be sending our representative the moment we hear from them. As a matter of fact, the date was fixed, but the three parties could no come together at the same time. It has been fixed now for September of this year when the representatives of the three sides will meet.

Mr. STIRLING: Will the minister be good enough to follow this matter up? It is a question affecting a difficulty that has been apparent for many years, and at last, when the committee reports that there is something tangible to lay hold of, I would ask the minister to see to it that the representative of the dominion meets with the province for the purpose of coming to a conclusion.

Mr. FOURNIER (Hull): I will attend to that myself.

Mr. ARCHIBALD: Has the minister anything to say with regard to the completion of the road between Jasper and Prince George?

Mr. FOURNIER (Hull): That comes under the Department of Mines and Resources.

Mr. HERRIDGE: Can the minister answer the question I asked him?

Mr. FOURNIER (Hull): My officials will take a note of every request made by the hon. gentlemen. I did not get every name he mentioned, but the moment a request is made our engineers make a note of it. They will look into the different projects and report upon the necessity for those that are new; and, as regards maintenance or repairs, we shall see that they are done.

Item agreed to.

Engineering branch—construction, repairs and improvements—harbours and rivers—generally—

328. Protection works generally—to provide for remedial works where damages are caused by or endanger navigation or federal government structures, $100,000.

Mr. McLURE: This is for protection of government property generally across Canada. Under this vote last year, the people in my district, known as the harbour district, applied for protection to their own property and also to the lighthouse at North Rustico. I thought the protection vote would give them the opportunity this year, because in case of a storm they are likely to lose the whole of that protection where there is the greatest fishing station on Prince Edward Island. Last

year the Department of Public Works began an experiment for protection, and it is all satisfactory while there are no great storms, but when there was a fairly heavy storm it was swept away. The people are looking to the Department of Public Works this year to get the protection they desire for their fishing property and also for the lighthouse.

(Translation):

Mr. HEON: Would the hon. minister tell us, in French, what he intends to do in view of the floods that have taken place this year and which, apparently, changed the whole problem of protection? Am I to understand that this sum of $100,000 is the final amount?

Mr. FOURNIER (Hull): For the whole country.

Mr. HEON: Even with the floods?

Mr. FOURNIER (Hull): We have no jurisdiction in the matter of damages caused by floods. This estimate is for protection measures against erosion caused by navigation or government works, nothing else.

Mr. HEON: Very well. Take the Grenville to Hawkesbury bridge, for example, an interprovincial structure, which comes under your jurisdiction. Suppose it has been damaged by this year's floods. What would you do?

Mr. FOURNIER (Hull): If it belonged to us, we would repair it.

Mr. HEON: Would you please repair the approaches to the bridge if it belongs to you? I know, Mr. Minister, that several hon. members have blamed you and that these criticisms are far from being a credit to you.

(Text):

Item agreed to.

Telegraph branch—
330. Telephone service at Ottawa, $355,000.

Mr. GIBSON (Comox-Alberni): Has the minister anything to do with the administration of telephone facilities in the house? We cannot sleep here all night, though we stay most of the night, but we have home addresses. When long-distance telephone calls come through to us they are normally referred to the number 2-8211, which, I gather, is the general number for the House of Commons. There the call ends and nothing else happens to it. I was wondering whether there is any way, if this is under the minister's department, of checking up to ensure that people who telephone us long distance shall eventually get hold of us in the house. Incidentally this telephone message came in to me at 7.35 last night and was referred to the House of Commons, and that was the end of it. I did not get it until I got down to the Chateau Laurier four hours later.

Mr. HEON: Am I to understand that the hon. member has a private telephone number?

Mr. GIBSON (Comox-Alberni): I have a private room with a telephone.

Mr. MACDONNELL (Muskoka-Ontario): I notice a substantial increase in item 330. I should like to understand it a little better, if the minister can explain it. In the first place, I have not quite made out what telephone service at Ottawa covers. Is it payment to the telephone company? If so, I think the question raised by the hon. member for Comox-Alberni is quite relevant.

Mr. FOURNIER (Hull): The increase in this vote is due to the fact that a large number of telephones formerly charged to the vote for demobilization and reconversion during the war have been transferred to the normal activities of the Department of Public Works. In years gone by, the amount of $190,000 was taken out of the war appropriation general vote to pay for those telephones. It has now been put under the regular vote for telephones in my department.

Mr. MACDONNELL (Muskoka-Ontario): Does that mean, contrary to what I would have expected at any rate, that when the war business came to an end or lessened and this transfer came to be made—

Mr. FOURNIER (Hull): The hon. member will find a further item on demobilization there decreased by $200,000 in my own estimates. It is a transfer of these new buildings. During the war these temporary and new buildings expenses for maintenance and so forth, were taken under the war appropriation and demobilization votes. Now we are trying to cut out the demobilization votes. There are only a few left in my department. The ones which are brought forward here are in the buildings which will continue in use for years to come.

Mr. MACDONNELL (Muskoka-Ontario): To my simple mind, $190,000 is a great deal of money—

Mr. FOURNIER (Hull): It is not an increase in expenditure.

Mr. MACDONNELL (Muskoka-Ontario: Will the minister allow me to finish?

Mr. FOURNIER (Hull): I want the hon. member to understand it is not an increase in expenditure. It is a transfer.

Mr. MACDONNELL (Muskoka-Ontario): If the minister will allow me to finish, per-

haps we shall be quite clear between us. Do I understand that, although there is a $190,000 increase there by reason of the transfer the minister has described, nevertheless the total amount originally spent when war services were at their peak was this $190,000, plus $200,000 more; in other words, that, while there is a $190,000, increase here, nevertheless there is an over-all decrease of $200,000. Is that correct?

Mr. FOURNIER (Hull): No. I understand that there is a decrease of $10,000. We took the $200,000 that was under the war vote and dropped it, and the $190,000 we brought in the ordinary estimates.

Mr. MACDONNELL (Muskoka-Ontario): Then may I again express some surprise and ask this question? I will put it this way, but maybe the minister would rather have it put some other way. I will make it as convenient as I can. However, let us put it this way. I should like to know what these war services were and why it is, when they seem to have come to an end that, out of an amount of $200,000 there is a reduction of only $10,000? It seems surprising to me if those services have come to an end. Or does the minister merely mean that the name has been changed?

Mr. FOURNIER (Hull): I mean that the departments which came under war appropriations—

Mr. MACDONNELL (Muskoka-Ontario): Will the minister specify? Will he give the names of the departments?

Mr. FOURNIER (Hull): The hon. member understands my position. We give service to the existing departments. When they need new telephones installed, we get the request, get in touch with the company and have them installed. Before these telephones are put in, they must be authorized by parliament. I can give the hon. member the list in the way in which it appears here. We have actually 5,467 telephones. We are paying over to the Bell Telephone Company $105,000 for exchange equipment; exchange operators, $40,000; House of Commons—

Mr. MACDONNELL (Muskoka-Ontario): Is that $105,000 a capital amount?

Mr. FOURNIER (Hull): No. Those are continuing services. I am trying to give the amounts we pay to the Bell Telephone Company. For those 5,467 telephones we pay $173,721.70; $105,000 for exchange equipment, that is, the records they have on their equipment; private branch exchange operators, $40,000; House of Commons, sessional service, $4,500. That covers every department of government where telephones are used.

Mr. MACDONNELL (Muskoka-Ontario): I still think there is something here which requires some explanation. Broadly speaking, what the minister suggested was that we had this increase of $190,000 because we were now changing the charge, so to speak, for the previous war departments. The war departments are supposed to be greatly diminished in size, and I think it would be reasonable to let us find just what those departments are which were included in this amount, and whether or not they have been diminished. If the minister would like to let this item stand and give those figures later, that will be satisfactory.

Mr. FOURNIER (Hull): Oh, no.

Mr. MACDONNELL (Muskoka-Ontario): I do not want to let this go without an explanation.

Mr. FOURNIER (Hull): I have the whole explanation. I shall not be any wiser tonight or on Monday. I have the whole report here from the department.

Mr. MACDONNELL (Muskoka-Ontario): All right.

Mr. FOURNIER (Hull): This is what is said in the report of the general superintendent of telegraphs: This is a decrease of $10,000 in the total amount required for 1947-48. There is an increase of $190,000 in the public works vote and a decrease of $200,000 in the demobilization vote. This is due to the fact that telephones previously charged to the war appropriation will be charged to public works general vote as from April 1, 1947.

National defence office telephones which were charged to the demobilization for war appropriation is now considered as a permanent department and comes under our general vote and not under the war appropriation.

Mr. MACDONNELL (Muskoka-Ontario): Yes, but—

Mr. FOURNIER (Hull): There is $10,000 less expenditure—

Mr. MACDONNELL (Muskoka-Ontario): Yes, I understand that.

Mr. FOURNIER (Hull): —for this year than for last year.

Mr. MACDONNELL (Muskoka-Ontario): I should like to know, if the minister has the figures, how many people there are. We have been told a great deal about the reduction in personnel. How many people are there in

these departments to be served now as compared with a year ago, for instance? Has the minister those figures?

Mr. FOURNIER (Hull): I would have to ask the civil service commission. I have not the figures for national defence.

(Translation):

Mr. HEON: Who signed the report just read by my hon. friend?

Mr. FOURNIER (Hull): Mr. MacDonald, superintendent pro tempore.

(Text):

Mr. PICARD: I just desire to express a wish to the minister on behalf of the French-speaking communities in the province of Quebec who want to call their member at Ottawa or whom at times their members have to call from the house. There seems to be a lack of bilingual operators, and when you call Joseph Latremoille, St. Alphonse de la Durantaye, St. Cajetan d'Armagh, over the telephone, you have to go on a spelling-bee in order to make the operator understand what you mean. Or if you are calling a gentleman who is mayor of a village and whose name is Joseph Latremoille, that means another spelling-bee for an hour or so. I believe they could have a few more bilingual operators in the service in Ottawa. It is not so important when we call the cities in Quebec, because our people speak English and there is no trouble, but when we call some of our constituents in the country it would be a help if we did not have to spend an hour when putting through the call in order to get the right place.

Mr. WYLIE: There is quite an increase in this item. I do not know whether or not I am in order, but I think it is time something was done about the telephones in our rooms in this building. My complaint is that it is impossible to hear over those telephones most of the time, and I believe we should have monophones. We have many calls, and it is impossible to understand what is being said. I suggest to the minister that it is time we had monophones in our offices.

Mr. MACDONNELL (Muskoka-Ontario): In order to ingratiate myself with the minister before going on, I may say I have no trouble with my telephone at all. I can hear perfectly well, though I do sympathize with the hon. member for Bellechasse, who had difficulty in spelling names. I would have difficulty with those names, too; in fact I have had difficulty already.

I want to come back to this—and I apologize for being persistent—because I do not think the minister has really given me an answer. I have not asked many questions, and I am going to try to get an answer to this one. I assume that somebody—and I would hope it is the public works department—is interested in knowing how many telephones we have, how many people are using them and whether we have the number that is necessary; that it is not just a matter of blindly carrying out any requests which are received. At the moment it would appear that, in spite of much talk about the reduction of the war departments, where there was a charge of $200,000 for these special departments—and incidentally, this is one of the war charges now beginning to show its head, which makes one wonder whether it should have been a war charge at all—we find this increase of $190,000. We are told there is a paltry saving of $10,000, but that does not impress me much. I should like to know, if we can have it, what would be a reasonable approach to this question. To me the reasonable approach would be to show how much service was being given before, how many people were being served, how many are being served now, and then I would be able to form some impression as to whether this reduction of $10,000 is reasonable or unreasonable.

Mr. FOURNIER (Hull): If the hon. gentleman will take the book of estimates and look at page 75, item 566, he will see that in 1946-47 the estimate was $260,000. For this year the estimate is $60,000, so that the decrease in that vote is $200,000.

Mr. MACDONNELL (Muskoka-Ontario): Yes, but the $190,000 appears on the other page.

Mr. FOURNIER (Hull): Yes. Under item 330 in 1946 our general vote was $165,000. This year the estimate is $355,000, making an increase of $190,000. The telephones covered for the current year are the same as last year, with perhaps some decrease to the extent of $10,000. What the hon. gentleman does not seem to grasp—and perhaps I am not too clear in the way I put it—is that public works never orders a telephone for anybody. We receive a request from the department interested, which is sent to treasury board and referred back to public works, approved or refused.

Mr. MACDONNELL (Muskoka-Ontario): I understand that.

Mr. FOURNIER (Hull): The request is made by the department, approved by treasury board and sent to us, and we make an agreement with the telephone company for that telephone. The amount asked for is to cover the telephones needed by each department of government. If I were to say, "No, you cannot have that telephone; I am not going to put

that amount in my estimates," I do not think I would have the approval even of the opposition. I do not increase or decrease the number of telephones in government departments. I just act as their agent after the request is approved.

Mr. MACDONNELL (Muskoka-Ontario): Then I have this comment to make, that apparently no one is exercising any independent check at all on this expenditure.

Mr. FOURNIER (Hull): Treasury board is quite a check.

Mr. MACDONNELL (Muskoka-Ontario): Does the minister want me to believe that treasury board is exercising any scrutiny as to the number of telephones made available?

Mr. BERTRAND (Laurier): Yes.

Mr. FOURNIER (Hull): They refuse more than you think.

Mr. BERTRAND (Laurier): I wanted to have another line in my office here in the House of Commons. My secretary is on the opposite side of the corridor, and very often there are people in the office who happen to be speaking on the telephone when I need it. I asked for a new line, but they said, "Well, you will not have it this year."

Mr. MACDONNELL (Muskoka-Ontario): Of course there may be some requests so obviously unreasonable that even treasury board can see it. I want to come back to this question, which I am asking seriously. What independent check is there in this connection on the department? The minister will remember that a year ago we had an interesting discussion about furniture. It seemed then, and I suggest that it seems now, to indicate that the Department of Public Works is put in the position of simply carrying out what it is told to do.

Mr. FOURNIER (Hull): By treasury board.

Mr. MACDONNELL (Muskoka-Ontario): I am only asking whether there is a gap somewhere. In spite of the interesting illustration given by the Postmaster General, I still beg leave to doubt whether treasury board is in any position to inquire about the physical need, whether it is for 100 telephones or for 500 telephones; and I should have thought there would have been somebody to do that. Here we have a large amount of money being spent, and there is this trifling reduction of about five per cent. Yet we have been told on several occasions that some of these departments, for example the defence department, are supposed to have been greatly reduced. I still suggest that if any real check were made, as in the case of the Postmaster General, the minister might find a considerable further reduction possible. I am not going to press the matter further, except to put myself on record as saying that nothing that has been said so far has satisfied me that this is really controlled as I think it might be.

(Translation):

Mr. HEON: Mr. Chairman, would the hon. minister tell us what the Treasury Board is and what is the French for this English expression?

Mr. FOURNIER (Hull): The "Bureau du Trésor". It is made up of six ministers, as a rule the six senior ministers of the government, and is responsible for approving certain government expenditure.

Mr. HEON: Does my hon. friend belong to it?

(Text):

Item agreed to.

Telegraph branch—
Telegraph and telephone services, operation and maintenance—

336. British Columbia—Vancouver island district, $217,535.

Mr. PEARKES: Could the minister say whether any of this small increase is being spent on personnel? I am particularly interested in those lines which run east and west from Port Renfrew, on the southern shore of Vancouver island.

Mr. FOURNIER (Hull): The whole of the increase is due to the increased rate of cost of living bonus authorized in August, and statutory increases in salaries.

Mr. PEARKES: Will there be any increase in the personnel? I am hoping there will be, because that line going east and west of Port Renfrew runs through extremely difficult country. It is broken up with ravines coming down from the mountains. Personnel who have been operating the line both east and west of Port Renfrew find it difficult to maintain that line since the service personnel were taken off the maintenance of the line in 1945. I hope it will be possible to increase the number of lines.

Mr. FOURNIER (Hull): I assure the hon. member that the whole of this increase goes to an increase in rates of bonus, statutory increases, increases in allotments for sick and health relief, reclassification, and miscellaneous adjustments.

Mr. PEARKES: Would the minister inquire as to whether it is not necessary, in order to give adequate service, to have additional linesmen at that important port.

Mr. FOURNIER (Hull): I will do that.

Item agreed to.

Telegraph branch—construction, repairs and improvements—

340. British Columbia, Northern and Yukon districts, $59,000.

Mr. ARCHIBALD: I do not wish to criticize the minister unduly, because his department has done good work in my district. However, where there is only an eight-hour service on government telephones there should be a hook-up for emergencies, such as police calls. This is most vital in these outside points. I know there have been improvements and much has been done in the past, but the work should be speeded up, inasmuch as the lines have a tendency to ground too much, especially at tidewater. The wires will come down, and at high tide they go up.

Then I object to charging for telephone calls of persons out in the country who may telephone a storekeeper in a local town. They telephone to their local storekeeper and are charged twenty-five cents. This applies to people telephoning to Burns Lake from Francois Lake, and people in Kispiox Valley telephoning to Hazelton. This is not charged by the private telephone companies. One may telephone from a rural section adjoining Ottawa without being subject to a charge. However, within the last two or three years this charge has been instituted in that area, and I say it is not fair because they have to pay a monthly rental for their telephones.

Item agreed to.

Telegraph branch—construction, repairs and improvements—

342. Cable for bay of Fundy district (revote), $28,000.

Mr. BROOKS: Is this for a new cable or repairs to the old one?

Mr. FOURNIER (Hull): It is to purchase fifteen miles of two-core steel armoured cable to provide telephonic and telegraphic channels in the bay of Fundy district.

Mr. BROOKS: At what points?

Mr. FOURNIER (Hull): Grand Manan island to smaller islands adjacent thereto by means of a submarine cable across the main water channel between Grand Manan and Passamaquoddy channel.

Item agreed to.

[Mr. A. Fournier.]

General—

344. National Gallery of Canada, $117,098.

Mr. MACDONNELL (Muskoka-Ontario): Has a report been made by the board which supervises the national gallery? Are the directors satisfied with this vote?

Mr. FOURNIER (Hull): I tabled the report a month ago, but I shall have a copy sent to the hon. member.

Mr. MACDONNELL (Muskoka-Ontario): Does the board consider that the amount set aside here for the purchase of works of art is large enough?

Mr. FOURNIER (Hull): When they bring in their estimates the amounts are discussed, and the amount here is the one agreed upon. Speaking personally, I do not think it is large. However, after explaining what they want, they come to an agreement as to a certain amount.

Mr. MACDONNELL (Muskoka-Ontario): Does this go through treasury board, too?

Mr. FOURNIER (Hull): No, I would not say that. When these estimates come to the house they have been discussed and trimmed, not only by treasury board, but by the cabinet.

Mr. MACDONNELL (Muskoka-Ontario): I am not suggesting that this one be trimmed. I am wondering if it is adequate.

Mr. FOURNIER (Hull): I shall have some supplementary estimates, and perhaps the hon. member would suggest that it be made larger.

Mr. MACDONNELL (Muskoka-Ontario): I would not make the suggestion without knowing more about the matter. I should like to see the report first.

Mr. HAZEN: Last year $50,000 was allowed for the purchase of works of art. Was all that expended, and, if so, how?

Mr. FOURNIER (Hull): I happen to be the minister in charge of this item, but the national gallery is practically an independent body. When we vote the amount of $50,000 no one in the department would dare to interfere with the expenditure. I cannot set out the works which have been purchased, but they were purchased to the value of $48,313, and $5,288 was spent for the printing of reproductions.

THE ROYAL ASSENT

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

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

Accordingly, the house went up to the Senate.

And having returned.

Mr. DEPUTY SPEAKER informed the house that the deputy of His Excellency the Governor General had been pleased to give in His Majesty's name the royal assent to the following bills:

An Act to amend the Publication of the Statutes Act.

An Act to incorporate Canadian Nurses' Association.

An Act to incorporate Workmen's Circle of Canada.

An Act to amend the Act incorporating The Canadian Council of The Girl Guides Association.

An Act to amend The National Housing Act, 1944.

An Act to amend The War Charities Act, 1939.

An Act to make provision with respect to Forces of the United States of America when visiting Canada and with respect to the exercise of discipline and to the internal administration of such Forces.

An Act respecting the Canadian National Railways and to provide for the refunding of matured, maturing and callable financial obligations.

An Act to amend The Excess Profits Tax Act, 1940.

An Act respecting the Beauharnois Light, Heat and Power Company.

An Act to incorporate the Port Alberni Harbour Commissioners.

An Act to amend The Merchant Seamen Compensation Act.

An Act to amend The Penitentiary Act, 1939.

An Act to amend The Municipal Improvements Assistance Act, 1938.

An Act to amend The Farm Improvement Loans Act, 1944.

An Act to amend The Canadian National-Canadian Pacific Act, 1933.

An Act to amend the Criminal Code. (Race meetings.)

An Act to vary the Saskatchewan Natural Resources Agreement.

An Act to amend The Juvenile Delinquents Act, 1929.

An Act respecting Article Forty-one of the Charter of the United Nations.

An Act to authorize the provision of moneys to meet certain capital expenditures made and capital indebtedness incurred by the Canadian National Railways System during the calendar year 1947, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railway Company.

An Act to amend the Identification of Criminals Act.

An Act to amend The Judges Act, 1946.

An Act to amend The Exchequer Court Act.

An Act to amend the Prairie Farm Assistance Act, 1939.

An Act to amend The Canadian and British Insurance Companies Act, 1932, and The Foreign Insurance Companies Act, 1932.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1948.

SUPPLY

The house resumed in committee of supply, Mr. Cloutier in the chair.

At six o'clock the committee took recess.

After Recess

The committee resumed at seven o'clock.

The DEPUTY CHAIRMAN: When the committee rose at six o'clock we were discussing item 344. Shall the item carry?

Mr. McKAY: I am not opposed to this item. I am certainly not opposed to the appropriation indicated on page 212 of the estimates of $50,000 for the purchase of works of art. It is possible that it should be larger than that. I believe, however, that when public money is being expended this house should know exactly for what purpose it is to be used. I do not question for a moment the capabilities of those who are operating the national gallery, but I think the minister should be informed; and if it is not possible for him this year to get the information, then next year when he brings down his estimates he should have a list of the paintings purchased, the sources from which they are secured and prices paid for them, since, of course, it is a matter of this house's decision whether we appropriate anything for the gallery or not. I sincerely hope that the emphasis is being placed on the purchase of works of art produced by Canadians. Our artists need encouragement and there are Canadian artists of considerable note. As a matter of fact, I need only draw the house's attention to the picture in the rotunda of the parliament buildings, a picture painted by Mr. Forbes, a Canadian, to illustrate the fact that we have artists of more than average note in this country. Canadian artists do not need and have never needed to take second place to anyone. Our artists ought to be encouraged and I believe they are being encouraged. I am not suggesting for a moment that those who operate the national gallery have not considered that. I suggest, however, that in the future the emphasis be put on exhibits of Canadian art, and I think we should know exactly what is going into the national gallery. I would not suggest that

the appropriation be reduced. In fact I think everything should be done to encourage our art with more expenditures for this purpose, if necessary.

Item agreed to.

General—

345. Miscellaneous works not otherwise provided for, not more than $5,000 to be expended upon any one work, $150,000.

(Translation):

Mr. GAGNON: Can the hon. minister say whether part of the $150,000 appropriation voted under this heading will be spent in the county of Chicoutimi, on the wharf at L'Anse-à-la-Croix, which needs to undergo repairs?

Mr. FOURNIER (Hull): I cannot say. That estimate is reserved for projects costing under $5,000. When a request is submitted to us on the recommendation of our engineers, the required funds are provided by this estimate, if the repairs cost less than $5,000. From memory, I cannot say whether this vote will meet the cost of repairing the wharf at L'Anse-à-la-Croix, but if the hon. member wishes for further information, I shall supply it.

Mr. GAGNON: Thank you kindly.

(Text):

Item agreed to.

General—

348. To provide for the purchase of a portrait of Sir Louis Davies, $1,500.

Mr. McLURE: After the remarks made a little while ago in reference to the national gallery, I am pleased to see this item. I suppose this portrait will be painted by a Canadian artist. I may say that it will be in honour of a Prince Edward Islander—

Mr. MacNAUGHT: Hear, hear.

Mr. McLURE: —who played his part in legislation in Canada—

Mr. MacNAUGHT: A good Liberal too.

Mr. McLURE: —and became Chief Justice of Canada.

Mr. MacNAUGHT: A good Liberal too.

Mr. FOURNIER (Hull): I should like to have on the record purchases of portraits of chief justices of Canada. In 1943-44 there were purchased, through the national gallery, paintings of Chief Justices Anglin, by Mr. K. K. Forbes, Toronto, and Sir Lyman P. Duff, by Ernest Fosbery of Ottawa, the first at a price of $1,500, and the second at a price of $1,750. In this instance provision is made for the purchase of a portrait of the late Chief Justice Sir Louis Davies from the estate of the late Mrs. Amy Davies, to be hung in the Supreme Court of Canada. It was painted by Robert Harris, a former president of the Royal Canadian Academy.

Item agreed to.

Architectural branch—

561. Post-war programme—expenses in connection with preparation of plans, specifications, etc., $200,000.

Mr. WRIGHT: Is this post-war programme still in operation? Is the department still paying the expenses of engineering on projects by municipalities and that type of work? An expenditure of $200,000 is shown, which is $105,000 less than was spent last year. My information was that this work had pretty well stopped on these shell programmes. I supposed that this was an item under which the post-war or shell programme of the government was being paid for.

Mr. FOURNIER (Hull): It is to pay for extra help in preparation for these post-war programmes. The staff working on them is not sufficient, and we need extra help in the architect's branch in the preparation of these plans and specifications.

Mr. WRIGHT: Can the minister give us some idea of the total amount involved in these post-war programmes for which plans are now laid?

Mr. FOURNIER (Hull): They would run into millions. I have not the definite estimate. If I rightly understood the policy of the government, they gave us instructions to prepare plans and specifications for the different activities of our department, architectural or engineering, so that these plans and specifications would be ready when conditions of employment required them and materials were available. My department would not decide as to the timing of the planning, but we take on extra help to prepare these plans. The moment they are needed they will be available for execution.

Mr. WRIGHT: This item is just for plans of the government? It is not for outside work by municipalities in what was known as a shell programme in the reconstruction department after the war?

Mr. FOURNIER (Hull): No. I do not think this staff would be employed in municipal or provincial projects. They are wholly federal projects.

Item agreed to.

Architectural branch—

562. Repairs, alterations and maintenance of buildings, $1,000,000.

Mr. FRASER: Is this $1,000,000 also for the same purpose, or is that to be spent this year? Are these alterations to take care of unemployment?

Mr. FOURNIER (Hull): This vote is to be applied for the caretaking, heating, lighting and elevator service in connection with buildings at Ottawa and outside Ottawa still occupied by departments, boards and divisions set up for purely wartime functions such as wartime prices and trade board, reconstruction and supply; dependents' allowance board, defence; dependents' advisory committee, defence; national war labour board, labour; wartime labour relations board, labour; and others. This vote also covers repairs, alterations and redecorating buildings vacated by war departments which are now required for staffs of regular departments. However, in view of the many uncertainties as to what buildings may be expected to be vacated in 1947-48, due to reduction in staffs of war departments, demobilization and transfer of staff to build up interim forces, any estimate made at this time for 1947-48 must be very tentative. The departments I have named are supposed to be vanishing departments, and we have to keep the staff for the upkeep and repairs of buildings.

Mr. FRASER: War Assets would not be in that, or any of the crown corporations?

Some hon. MEMBERS: Carried.

Mr. ROSS (St. Paul's): May I ask a question?

The DEPUTY CHAIRMAN: Is this item carried?

Mr. ROSS (St. Paul's): This is on item 307. It is a question of the new plant. I asked about what it was and I understood that it was for dredges. I was told there were a new dredge and two new scows. I was wondering what the purpose of that was.

The DEPUTY CHAIRMAN: Order.

Mr. FOURNIER (Hull): Dredging in the great lakes.

Mr. ROSS (St. Paul's): The answer I got was in lake Ontario.

The DEPUTY CHAIRMAN: Order. I wonder if we could finish the item we are on?

Mr. ROSS (St. Paul's): I beg your pardon, Mr. Chairman. I thought we had finished with it.

Item agreed to.

Architectural branch—

563. Rental of premises, $635,000.

Mr. SHAW: Does this item cover premises occupied by branches of the government other than the Department of Public Works? Is the Department of Public Works governed by the rental regulations established by the wartime prices and trade board?

Mr. FOURNIER (Hull): Yes. These are buildings occupied by nearly every department of government, and we are subject to the regulations of the wartime prices and trade board as to rentals.

Mr. JOHNSTON: Does the Department of Public Works pay the rent on the post offices throughout the country?

Mr. FOURNIER (Hull): Yes; when they are in rented premises.

Mr. JOHNSTON: Is that charged up to the Post Office Department?

Mr. FOURNIER (Hull): No, it is charged up to our estimates.

Mr. JOHNSTON: They do not pay any rent at all on those premises.

Item agreed to.

Architectural branch—

564. Furniture, etc., $25,000.

Mr. JOHNSTON: Is this $25,000 for new furniture?

Mr. FOURNIER (Hull): It is for furniture which will be furnished in the buildings for the departments I have just mentioned to the hon. member for Peterborough.

Mr. JOHNSTON: What happens to the furniture which is already there and is disposed of?

Mr. FOURNIER (Hull): The procedure is a simple one. The departments I have mentioned to the hon. member for Peterborough are as follows: wartime prices and trade board, reconstruction and supply, dependent's allowance board, dependents' advisory committee, national war labour board, wartime labour relations board. When any request for furniture comes from those departments we first try to get it from War Assets Corporation. When they say they have not that furniture, we purchase it for these departments with this amount of $25,000.

Mr. JOHNSTON: Is this item for the purpose of replacing the furniture in those offices?

Mr. FOURNIER (Hull): It may be an increase in what they need or discarding furniture which is of no use.

Mr. JOHNSTON: What I want to know is what the Department of Public Works does with this furniture which is replaced. What is done with the old furniture? How do they dispose of it? Do they just throw it out; do they give it away, or what do they do with it?

Mr. FOURNIER (Hull): We do not give anything away. It goes through the salvage office. Now it is War Assets. Before the war, it was a salvage department under the control of finance, and everything which became obsolete or was of no use, was transferred to this salvage office. I understand that now, when furniture cannot be used, it is transferred to War Assets.

Mr. JOHNSTON: Does the Department of Public Works also supply the furniture for the House of Commons?

Mr. FOURNIER (Hull): Yes.

Mr. JOHNSTON: And the same procedure is carried out with respect to the house furniture as is carried out with the other departments?

Mr. FOURNIER (Hull): Absolutely.

Mr. JOHNSTON: Do they dispose of that by public auction or private auction, or how is it done?

Mr. FOURNIER (Hull): That would come under War Assets Corporation. I am not too familiar with the procedure there.

Mr. JOHNSTON: Then, when there is replacement of the furniture here in the House of Commons, in members' offices and so on, it is all turned over to War Assets?

Mr. FOURNIER (Hull): I understand that, since the inception of the War Assets Corporation, it is transferred to them. Previously it went to what we called the salvage office.

Mr. JOHNSTON: War Assets now takes possession of all that furniture?

Mr. FOURNIER (Hull): That is my information.

The DEPUTY CHAIRMAN: Shall the item carry?

Mr. FRASER: No. I do not think War Assets Corporation was set up for that purpose.

Mr. FOURNIER (Hull): Perhaps not.

Mr. FRASER: I think that, under the salvage proposition the government had before, they would get a better deal.

[Mr. A. Fournier.]

Mr. FOURNIER (Hull): I believe the salvage office which existed before the war has now become part of War Assets Corporation. It is being continued, but is it not under finance now?

Mr. FRASER: But War Assets Corporation was set up after the war to look after surplus war materials, and I feel that the public would get a better deal if this salvage office continued its work under the finance department, because the War Assets outfit should be closing up pretty soon.

Mr. FOURNIER (Hull): That would be a matter of opinion. When War Assets Corporation was set up this salvage office which came under finance, was transferred to the corporation. I do not think they have changed much in their procedure in that branch of War Assets. The hon. member may be right that all these old carpets and broken desks and chairs are not war casualties but ordinary casualties of government departments, but they are sent over to this salvage office.

Mr. FRASER: I have in mind, not only the furniture, but also properties that are held under the public works department. I brought this matter up before; I think the Department of Public Works is the proper department to handle all these materials for which we have no further use.

Item agreed to.

Engineering branch—

565. Post-war construction programme—expenses in connection with surveys, preparation of plans and specifications, $350,000.

Mr. WRIGHT: I presume this vote in connection with post-war construction is for engineering in reference to dominion public works, is it?

Mr. FOURNIER (Hull): Absolutely. The explanation here would be the same that I gave in connection with the architectural preparation of future plans. They are preparing plans for all these engineering works, such as wharves, breakwaters and so on, which will be considered when reconstruction or some agency of government gives us the green light.

Mr. McLURE: Under this item, and in connection with item 561, in our province we were under the impression that the post-war programme would be carried out. Prior to the election of June, 1945, definite promises were made in reference to this post-war construction programme. We were definitely to have a survey of a highway from Borden to Charlottetown, and the construction of what is known as the Brighton bridge. I would ask the minister to say whether a survey has been

made in connection with the Brighton bridge and whether plans and specifications have been prepared.

Mr. GRANT: That is a provincial bridge.

Mr. FOURNIER (Hull): The hon. gentleman is asking me whether somebody in Prince Edward Island made a promise that a bridge would be constructed. That is not within my knowledge. I do not know about those promises.

(Translation):

Mr. GAGNON: Mr. Chairman, may I ask some information of the minister? Would he kindly tell me whether the $138,000 vote carried this afternoon under item 323 will be spent this year?

Mr. FOURNIER (Hull): Where?

Mr. GAGNON: At L'Anse-Saint-Jean, as mentioned on page 43.

Mr. FOURNIER (Hull): I am told that plans and specifications will be completed within a fortnight. When these are ready, we shall call for tenders and can therefore hope to begin the work this year.

Mr. GAGNON: Should you feel, even though the plans are completed within the next two weeks that the project will not get under way this year, would you hope to undertake them next year?

Mr. FOURNIER (Hull): My answer is that the work will begin this year and will probably be finished next year.

(Text):

Item agreed to.

Telegraph branch—

566. Ottawa—telephone service, $60,000.

Mr. FRASER: This item means that the telephone services for the wartime prices and trade board and the other units mentioned by the minister have been cut by $200,000?

Mr. FOURNIER (Hull): No. I had a discussion of this matter this afternoon with the hon. member for Muskoka-Ontario. Only five minutes ago I mentioned to the hon. member the vanishing departments for which we are providing. This $60,000, I think I am right in saying, is to provide telephone services for those agencies. The others are in buildings occupied by permanent departments or agencies. The amount was decreased by $200,000, but the main estimate was increased by $190,000. During the dinner hour I have been thinking of the questions asked by the hon. member for Muskoka-Ontario. Perhaps his idea is correct, that we are not reducing the number of personnel sufficiently and, as a consequence, the cost of telephones is not going down as quickly as he would like to see it go down, but I must tell him this department cannot enter into that. We get the requests and make agreements with the Bell Telephone Company to give the service.

Mr. MACDONNELL (Muskoka-Ontario): I want to increase the importance of your department and give you control over all these telephones.

Mr. FOURNIER (Hull): You are very kind.

Mr. POULIOT: I want to ask something of the minister. When some branches disappear, branches in which there is modern telephone apparatus, would it not be possible to exchange our old equipment in the House of Commons for new equipment, the kind which can be held in one's hand and which gives better service? The men who came to the various departments here during the war were provided with the finest telephone instruments, and I hope the minister will be kind enough to see to it that members of this house are provided with better telephones than we now have.

Item agreed to.

General—

567. Contingencies, $10,000.

Mr. BROOKS: I believe this is the last item in this department. The minister has been very kind and courteous in his answers and very considerate to hon. members. I have a question which may not come under this item, but since this is the last item of this department I would ask the indulgence of the minister to put the question now. It is based upon a telegram I received on June 24 from New Brunswick coal producers' association, Minto, New Brunswick, which reads:

> Department of Public Works called for tenders for coal for federal buildings in New Brunswick and Prince Edward Island. The Dominion Coal Company's coal is specified for practically every building in Prince Edward Island and New Brunswick where formerly New Brunswick coal was acceptable. Total tonnage involved is about 4,000 tons. Would suggest new tenders be called in which Minto shippers would have an opportunity to bid on this business. Dominion Coal Company's coals are even specified for Minto, Chipman and Fredericton post offices.

I want to ask the minister whether new tenders could be called, and whether there has not been some mistake in calling the present tenders. I have not the least doubt that probably the minister's department has been anxious to have maritime coal rather than

United States coal used in maritime buildings. Perhaps it was not known that New Brunswick was left out. It is like carrying coals to Newcastle to ask Minto, where coal is produced, to use Nova Scotia coal.

Mr. FOURNIER (Hull): I understand that the hon. member sent a telegram to the department about this matter?

Mr. BROOKS: This is the same telegram as was sent to the Minister of Fisheries, and possibly he has already taken the matter up with the department.

Mr. FOURNIER (Hull): There was a mistake in the specifications. There is no doubt about that, and we admit the mistake. This was for the purchase of coal, and by some inadvertence an official in the department did make a mistake. But when complaints were received the specifications were changed.

Mr. BROOKS: And new tenders are being called?

Mr. FOURNIER (Hull): We have lengthened the time for tenders. I believe the mistake has been corrected.

Mr. FRASER: Are the amounts in the ordinary estimates and in the reconstruction estimates for the telephones for the different departments of government?

Mr. FOURNIER (Hull): Yes.

Mr. FRASER: Then, on top of that, these different departments have their own long-distance calls.

Mr. FOURNIER (Hull): Yes; we pay for the service for every department.

Mr. FRASER: But they pay for the long-distance calls?

Mr. FOURNIER (Hull): Yes.

Mr. MACDONNELL (Muskoka-Ontario): I have a question with respect to item 565.

The DEPUTY CHAIRMAN: That was passed. We are now on item 567.

Mr. MACDONNELL (Muskoka-Ontario): I realize that, but probably the minister would answer this. I note that it is an amount of $350,000 for a post-war construction programme. Is that for the working out of tentative plans prepared by other departments in the event of the need of public works, and, in particular, I want to know if it is done by the Department of Reconstruction and Supply?

Mr. FOURNIER (Hull): No, we are asking this vote, and have done so for the last two years. It is for adding to the ordinary staff of the department other people who work on the preparation of plans for the post-war programme. I have the details here with respect to the way in which the money is spent. However, throughout the country in our offices we have people working on plans which would be useful in a period of depression, we will say, or as a post-war programme.

Mr. MACDONNELL (Muskoka-Ontario): Who determines those plans?

Mr. FOURNIER (Hull): We do. My department takes in all buildings and engineering works and, after receiving requests from all departments as to buildings, we are the ones who decide on the preparation of the plans. To do this work, which is somewhat out of the ordinary, we need this staff which, under the item, is paid $350,000.

Mr. MACDONNELL (Muskoka-Ontario): I understand that. But my question still is: Is that done in conjunction with the Department of Reconstruction and Supply?

Mr. FOURNIER (Hull): We prepare the detailed plans. There is a committee of the cabinet which meets regularly with respect to reconstruction. They have different projects and receive requests; and when they come to some decision, or decide that a federal project would be useful at the proper time, we work on the details of the specifications for the project.

Mr. McLURE: I would direct the minister's attention to pages 210 and 211 of the details. We find there that we have already passed about $600,000 or $700,000 for such things as temporary assistance. I was talking about that item last night.

Then there is reference to commissions, whatever they are, to the extent of $300,000 or $400,000. I should like to know what those commissions are.

Mr. FOURNIER (Hull): I understand that those commissions are paid to the telegraph or telephone operators we have throughout the country on government-owned lines. They are not paid monthly or weekly rates, but are paid according to the amount of business going through the offices or probably a percentage of collections made.

Mr. ROSS (St. Paul's): The minister has said that item 307 deals with dredging for Ontario and Quebec, and referred to dredging on lake Ontario. This involves an expenditure of about $376,000, and I should like to know something about it.

Mr. FOURNIER (Hull): The new plant to which reference is made in the details, will consist of a new dredge to replace dredge No. 126 which operates on the Gaspe coast and around the Magdalen islands, at a cost

of $60,000. The dredge of the sort which operates on the Gaspe coast costs $60,000.

Mr. REID: I thought none were being built.

Mr. FOURNIER (Hull): Those are only spoons; this is not a British Columbia dredge, out where they have big things. Then there is a new 150 cubic yard scow for a new dredge to be purchased, which will operate in the great lakes. This was in last year's estimates, but was not built, and is to cost $35,000. Then there is a new 3½ cubic yard dredge to be purchased for operation in the great lakes, and to cost $200,000, and a caterpillar crane to be purchased through War Assets Corporation and to be operated on the Gaspe coast, at a cost of $20,000. New buckets for this would cost $1,500, giving a total of $376,500.

Item agreed to.

POST OFFICE DEPARTMENT

261. Departmental administration, $1,203,917.

Mr. MacNICOL: Mr. Chairman, so far as I can see, the post office service has improved. I do not know who deserves credit for it, but perhaps it should go to the minister, as head of the department. I do not hear any complaints any more in my own city of Toronto, and I presume that the service has improved generally throughout the country.

Mr. GIBSON (Comox-Alberni): Come up to my riding.

Mr. MacNICOL: I am speaking of a city riding. I would ask the minister if the department has made any decision yet as to reducing the air mail postage rate. I found everywhere in the western states when I was there last fall that when I sent letters back to Canada the air mail rate was five cents, whereas in Canada it is seven cents.

Hon. ERNEST BERTRAND (Postmaster General): It was my intention to say a few words about the balance sheet of the department.

Mr. GIBSON (Comox-Alberni): Will the minister explain the $11,000,000 surplus?

Mr. BERTRAND (Laurier): Our total gross revenue in 1945-46 was $83,785,000, as against $86,400,000 in 1946-47. The revenue was as follows: postage stamps, cards, et cetera, sold, $52,000,000 in 1945-46 and $55,000,000 in 1946-47; postage paid in cash, 1945-46, $23,000,000; 1946-47, $24,000,000; deductions from revenue, postmasters' remuneration, commissions and allowance, 1945-46, $10,211,000; 1946-47, $10,427,000; discount to stamp vendors, special delivery compensation, transit charges, et cetera, 1945-46, $4,900,000; 1946-47, $2,995,000. So that the net revenue in 1945-46 was $68,635,000 and in 1946-47, $72,978,000.

Now for the expenditures. In 1945-46 they totalled $57,729,000; 1946-47, $64,213,000. This increase is due to the fact that we are paying more to the employees and also we have a few more employees. We have established new post offices and rural mail routes and are paying quite a sum more on rural mail contracts. We have also established letter carriers in different cities where we did not have them last year.

The net surplus in 1945-46 was $10,905,000, and in 1946-47, $8,765,000.

Mr. MacNICOL: Nearly $2,000,000 difference?

Mr. BERTRAND (Laurier): Yes, because our expenses have increased. The net surplus after adjustments, was $12,552,000 in 1945-46, and $10,400,000 in 1946-47. The difference is because our expenses have increased. We have adjustments covering the franking privilege, building rental and so forth, and we put that in at $4,728,000 in 1945-46 and $4,750,000 in 1946-47.

As was said on the public works estimates, these figures do not show a profit or loss at all. They simply show an operating surplus over expenses. We do not pay for the buildings, not even for their maintenance. It is just an operating surplus. Some people ask why we should not have a balance sheet just as a company would have; but it must be remembered that we are only one department of the government, and our balance sheet, our profit and loss if you will, so far as the post office is concerned, becomes a part of the government's budget.

The postage value of franked provincial government documents, ballot boxes and keys, customs notices and so forth, was put at $162,875 in 1945-46, and in 1946-47 we are putting it at $150,000. The estimated expense of operating the post office savings bank, which we operate without any charge whatsoever, was $260,892 in 1945-46, and in 1946-47 we are estimating it at $290,991.

The estimated cost of the free conveyance of newspapers in a forty-mile area was $30,000 in 1945-46 and the same in 1946-47.

The rental value of post office space in government-owned and rented buildings was $3,535,815 in 1945-46 and $3,586,000 in 1946-47.

The net surplus, after adjustments, was $12,552,000 in 1945-46 and $10,400,000 in 1946-47.

I do not know that I can anticipate any questions which may be asked. A law has

been passed increasing the compensation on certain rural mail contracts, and I might as well give a few figures on that because I am sure to be asked questions about it.

For the week ending April 5, 1947, to the week ending June 21, 1947, the award of new supplements where no previous supplement was paid was as follows:

Number of cases	374
Total value of contract rates	$261,952.80
Amount of supplements granted	57,199.03
Percentage of supplement to contract value	21·8 per cent

Mr. DIEFENBAKER: What does that 21·8 per cent represent?

Mr. BERTRAND (Laurier): It represents the increase over the total amount of the contracts.

Next is the award of increased supplements where supplements were already being paid. The number of cases was 260. The total value of these contract rates is $181,477.59, and the total value of supplements already in effect as of March 31, 1947, on these 260 cases was $60,530.21. The amount of increased supplements granted since March 31, is $51,441.96, making in all $111,000 odd, since supplements were granted by virtue of the order in council that was passed for that purpose.

Mr. DIEFENBAKER: What is the percentage of increase?

Mr. BERTRAND (Laurier): The percentage of increased supplement to contract value is 28·3 per cent; the percentage of increased supplement to contract value plus supplement already paid is 21·3 per cent, which is about the same as those that were granted where no supplements had been awarded before.

Mr. FRASER: That covers the 260 contracts.

Mr. BERTRAND (Laurier): Yes. The summary is as follows: number of cases 534; total value of contract rates, $443,430.39; total value of contract rates plus supplement already paid at March 31, 1947, $503,960.60; total amount of supplements granted from April 1, 1947 to June 21 of this year, $108,640.99.

Mr. MACDONNELL (Muskoka-Ontario): Does that cover the whole period?

Mr. BERTRAND (Laurier): That covers the period between April 5, when we started to renew the contracts to June 21, 1947, plus the amount that had been awarded on the 260 cases by virtue of the order in council.

Mr. MACDONNELL (Muskoka-Ontario): The minister gave us the figure of 374 cases and $261,000 as the value of the contract rates. That means per annum?

Mr. BERTRAND (Laurier): Yes, annually. The percentage of supplement granted from April 1, 1947, to contract values is 24·5 per cent; the percentage of supplement granted from April 1, 1947, to contract values plus supplement already paid at March 31, 1947, 21·6 per cent; supplement cases prior to March 31, 1947, were 4,256. I gave that when we discussed the law that we passed. The supplement cases from April 1, 1947, to June 21, 1947, amounted to 634, making a total of 4,890. The total supplement granted prior to March 31, 1947, was $946,186.38, or 34·9 per cent; the total supplement granted after April 1, 1947, is $108,640.99, or 21 per cent. Therefore in all, before and after March 31, the total supplement is $1,054,827.37, or a percentage of 32·8 per cent as compared with the total capital amount of these contracts for one year.

Mr. MacNICOL: Will the minister answer the question I asked him, whether the air mail rate will be reduced or not?

Mr. THATCHER: I have a few questions I should like to ask the minister specifically regarding the postal district of Moose Jaw. On April 16, in the "Post Office Weekly Bulletin" this announcement was made by the deputy postmaster general:

> From April 1, 1947, the position of district director has been discontinued.
>
> Operating and secretarial features will be taken care of by a postmaster; district office functions relating to services and investigations will be carried on by the district post office inspector.
>
> There are two exceptions to the above arrangement, namely, Moose Jaw and Charlottetown. The work of the Moose Jaw district will be under the jurisdiction of the district post office inspector at Calgary, but for the time being the former district director at Moose Jaw will act on behalf of the district inspector at Calgary.

I do not need to tell the minister that the people of Moose Jaw are perturbed by this announcement. They are afraid that they will lose a good many of the staff at the Moose Jaw post office to some other city. This is what the mayor had to say a few days ago in a letter to me:

> In my opinion the technique which is being used is not difficult to recognize; and while the head office is to be at Calgary, I would wager that within a year the present form of administration will turn up in Regina.

I should like the minister to make some statement on that fear. In a letter dated April 18, 1947, the mayor of Moose Jaw said:

> I have information which, if true, appears to indicate that Moose Jaw district is being discriminated against, for it has been stated to me

that of the fifteen districts in this country which have been established, Moose Jaw is the only one to be affected by this proposed and suggested "stream-lining" of the post office districts.

I have one other statement I should like to read, which appeared in the Moose Jaw *Times-Herald* on April 17 and which, I think, sums up the situation very well:

> The announcement from Ottawa has come as a rude shock.
>
> The Moose Jaw postal district, with headquarters at Moose Jaw, was created in 1907 in order to overcome problems created by the fast-growing population in southern Saskatchewan and the creation of many new towns as railway lines were built. Prior to the establishment of the Moose Jaw district, the territory between Winnipeg and Calgary, close to 1,000 miles wide and 350 miles in depth, was administered and supervised from Calgary and Winnipeg. This was found to be uneconomical and inefficient.
>
> The reorganization, which has been announced in what appears to be a surreptitious manner, restores the condition of affairs which existed up to 1907.
>
> Those who have engineered the reorganization appear to have been so illogical in their decision that it looks ridiculous. To explain it on the ground of efficiency and for economical reasons is not sound reasoning. It is impracticable and has been proved to be so.

I could go on, but I will not. I have a series of questions that I should like to ask the minister to clear this matter up. Perhaps before I ask these questions, the minister will make a statement. The fact is that in Moose Jaw there have been 625 small rural post offices which have been supervised from that point. Now apparently they are to be supervised from Calgary.

Mr. JOHNSTON: There is nothing wrong with that.

Mr. THATCHER: We think there is. Before I ask my questions perhaps the minister would make a general statement. If it is satisfactory I might not have to ask my questions. If he can clear the matter up I should like him to do so.

Mr. BERTRAND (Laurier): We are trying to better the system all over Canada. There is one thing that sometimes creates difficulty. It is the fact that provinces are jealous of their districts, but we are a national department and cannot go according to provinces except in a province like Prince Edward Island which is an island, and we cannot have it administered by somebody who lives outside that island. I shall give the committee an example. The districts are created generally according to a central city. Take the district of Montreal. The district of Montreal goes quite far into Ontario toward Toronto, because Montreal is near the boundary of Ontario, and the officers have to live in Montreal.

Some time ago we had a little difficulty because we used to have a district starting in Quebec and going as far as Cochrane in Ontario. We thought it was too far for our officers to travel and do a good day's work. They had to work during a part of the night in order to get through, so we cut it and gave North Bay that part of northern Quebec, which is much nearer to North Bay than it is to Quebec. Previously we had a district director in each of fifteen districts, and in each of those cities he was also postmaster and supervisor of the surrounding district. We thought it would provide a better service if we had a district post office inspector besides the postmaster in these large cities. It is enough for a man to be postmaster in Montreal or Toronto, and so we appointed district post office inspectors. Consequently we have two men doing today the work that used to be done by one man, the object being that the work shall be expedited. It was too much for one man.

Mr. THATCHER: That is not the case in Moose Jaw.

Mr. BERTRAND (Laurier): Moose Jaw and Calgary are not so far apart.

Mr. THATCHER: Oh, they are quite a distance.

Mr. BERTRAND (Laurier): Well, there are great distances in the western provinces, and we do not want to discriminate against Moose Jaw at all, but it was far more convenient for that district to be administered from Calgary than from Moose Jaw. We had many protests, but it does not change a single man. The man who used to be the district director of Moose Jaw is the postmaster of Moose Jaw, and will stay there, but the man we appointed for that district will live in Calgary instead of Moose Jaw. If we had put it in Moose Jaw he would have had to live there.

Mr. THATCHER: Is the minister saying that the present staff in Moose Jaw will not be reduced by that change?

Mr. BERTRAND (Laurier): Not one man will be changed.

Mr. THATCHER: There will be no change in the future.

Mr. BERTRAND (Laurier): I will tell the hon. gentleman more than that. We decided that before making the appointment we would see the people and have a discussion with them. The district might be known as Calgary-Moose Jaw or something like that.

We want to arrive at a good compromise and therefore we have not yet made the appointment.

Mr. THATCHER: The people of Moose Jaw are a little afraid that this appointment, having been made on a temporary basis, will be put in Calgary for a year, and then slipped back to Regina. Is there any possibility of that?

Mr. BERTRAND (Laurier): There is no possibility at all. It will not be done, because Regina would not be the proper place.

Mr. THATCHER: I thank the minister. Will he tell me what economies are being effected by having it in Calgary instead of Moose Jaw?

Mr. BERTRAND (Laurier): The department will probably save between $2,000 and $3,000 in travelling expenses through the district post office director living in Calgary instead of Moose Jaw. He would have to do more travelling if he lived at Moose Jaw. Moreover, from what I am told, Moose Jaw is a smaller city than Calgary.

Mr. THATCHER: Before making this permanent, will the minister give the matter further consideration as to leaving it in Moose Jaw?

Mr. BERTRAND (Laurier): I have promised some of my colleagues here, inter alios the hon. member for Rosthern (Mr. Tucker), to consider the matter and I am awaiting the return of the deputy minister from France. He is in Paris at the meeting of the international postal union. We will discuss it further and no one will be taken by surprise.

Mr. SHAW: I have one or two observations to make on this. I wish to commend the minister for having relieved the old district director from the responsibility of being also postmaster. I think it was an almost intolerable combination. I should like to ask whether the former district director, who is now to be district inspector, will be in any way penalized as far as salary is concerned.

Mr. BERTRAND (Laurier): They will not be penalized in the matter of salary. The salary might even be increased.

Mr. SHAW: It is observed that the Calgary district, for example, is to be enlarged by the inclusion of the Moose Jaw district. Since these districts were before so greatly enlarged, I think the department would be well advised to consider the establishment of additional postal districts in Canada. I believe that fifteen are altogether too few to enable these men to render the type of service which I am sure they are willing to give.

[Mr. E. Bertrand.]

Mr. ARCHIBALD: I wish to bring up a point which perhaps would properly come up under item 265; but, inasmuch as it is the only point I am raising tonight, perhaps I may be allowed to discuss it now. I am referring to the new air route now established between Vancouver and Prince Rupert. I will take it for granted that Canadian Pacific Air Lines will get an air mail contract. I will not argue about it because I think it is the only sensible thing to do. It has a land plane as far as Sandspit on the Queen Charlotte islands and from Sandspit to Prince Rupert transportation is by amphibious craft. In considering an air mail contract with the Canadian Pacific Air Lines, I wish the minister would do all he can to have that plane call at the little village of Massett at the north end of the Queen Charlotte islands. They have a boat only once every ten days and they cannot reply to mail by the same boat, so that sometimes it is twenty days before a letter can be answered and the matter involved squared away. It would not necessitate the plane calling every day. If it could call every two or three days I think the people would be well satisfied, and that would help in the building up of that little community. It would help to make it more prosperous if it were enabled to maintain air communication with the outside.

Mr. BERTRAND (Laurier): I wish to reply to the hon. gentleman's statement because it is important. In the department we are air-minded to a reasonable extent, because it costs a good deal of money. We know that in the future we shall use planes more and more for the carriage of mail; and in a country like Canada, which is so vast, the reduction of distances is certainly a very good objective. Between Vancouver and Prince Rupert, Canadian Pacific Air Lines have asked for a licence, which has been granted, effective on June 15, 1947. Of course they are asking for an air mail contract. The post office has often been looked upon by aviation companies as a Santa Claus and it has been a Santa Claus for many of them; but we believe that a contract should be granted to Canadian Pacific Air Lines for this flight. It will go to Prince Rupert and stop at Port Hardy and Sandspit. The hon. member for Skeena has already discussed with me the possibility of the plane stopping at Massett. His reason seems to be a very good one. If it is possible to do that, we shall do so. I may say that this is going to cost approximately $112,680 a year on the basis of thirty cents a mile. There will be a deficit, of course; but we think that far distant points, such as Prince Rupert, should have faster service than

is possible by boat or train. We have also granted a contract to the Canadian Pacific Air Lines for Flin Flon, Port Dauphin and Winnipeg. This is going to cost $82,000. For quite a long time we have been pressed for another contract in the Okanagan valley between Vancouver, Castleden, Penticton and Kimberley. We are considering that. It is costly, but we will do it if we possibly can.

Mr. BENTLEY: Can the minister tell me if letter carrier service is soon to be instituted in Swift Current? I have a letter from the assistant district director indicating that a re-survey was made in that week of May 5-10, or some time in there. He advised me that a report of that survey would be made immediately to the Post Office Department at Ottawa for its consideration. Has consideration been given to that report, and what has become of it?

Mr. GRANT: What is the population?

Mr. BENTLEY: About seven thousand.

Mr. BERTRAND (Laurier): I remember that this question came to my attention some time ago, and we had another inspector make a second survey. It takes quite a number of men for mail carrier service, and we have to set a certain limit within which we shall operate. It is a costly matter. We say that wherever there is a net surplus of $40,000 and 2,000 points of call, we can establish a letter carrier system. The first time Swift Current asked for that, I think they were just on the borderline. I am told that they might now have passed the borderline. They have as far as money is concerned, because last year they had a revenue of $68,281. That service will be given very soon. It is our policy to establish a letter carrier system wherever there are 2,000 points of call in a distance which is compact enough. If there are long distances intervening, if there are no sidewalks, no boxes in which to put the letters and so on, we cannot give that system. We ask the municipalities first to comply with those regulations.

Mr. BENTLEY: I should like to remind the minister that it has been many years since the post office there did not have a surplus of over $60,000. I think it is at least ten or twelve years. As the survey indicated, at one time there were only 1,600 points of call; but since the war, the city administration has made available to the returned men and others vacant lots within the city, making many more points of call and making them more compact. The matter of letter boxes will be taken care of by the citizens themselves as soon as they know that they are going to get this service.

There is something else to which I should like to draw the minister's attention, although I do not wish to exhibit jealousy toward another thriving metropolis such as ours. But Kelowna, in British Columbia, has less population than we have, but has eight or ten letter carriers, whereas we are asking for only four in Swift Current. I believe that all the conditions have been met. If there should happen to be a few gaps in the sidewalks, that is only because the city administration during the war and since have not been able to get the materials with which to build them; but they are being constructed as rapidly as possible. I should like the minister to assure me that we shall get that service before this summer is out, if he possibly can.

Mr. ISNOR: In view of the statement made by the Postmaster General to the effect that the department was air-minded, may I ask if the department keeps separate records in respect of the sale of air mail stamps? I would judge from the minister's shake of the head that the answer is no. If they had done so, I feel reasonably sure that the extreme eastern provinces and the extreme western ones would show that they were carrying a large proportion of the sales. I make that statement because of the large amount, in comparison with the other provinces, which is paid in connection with long distance telephone calls. A large number on the extreme east coast—and the same thing applies to the west coast—find it necessary to telephone to central Canada in regard to business and general matters. The same situation does not exist to the same extent in so far as the central provinces are concerned.

Mr. BROOKS: Oh, yes.

Mr. ISNOR: Not to the same extent, I said. I think the same applies with respect to the air mail service. I bring this matter to the attention of the Postmaster General for this reason. In the maritimes and in the extreme west, if we want a special delivery letter to be delivered, we are obliged to put on a four-cent stamp and a ten-cent stamp. But that is not of very much use to us for a special delivery letter. We always send it by air mail, and it costs us seventeen cents as against fourteen cents for the regular mail in the central provinces. I am suggesting that consideration be given to a special delivery stamp, air mail, at twelve cents; that is seven cents plus five cents. Of course that privilege would be enjoyed by all sections of Canada, but it would benefit the east and the west to a

greater extent than it would benefit central Canada. I am offering that as a constructive thought for the Postmaster General to take into consideration for the future.

Mr. BERTRAND (Laurier): I will take note of what the hon. member says.

Mr. PEARKES: Has the reorganization which the Postmaster General intimated was taking place extended to the rural post offices? I am not talking about the carriers. Is there an extension of the policy to have more post offices on the staff basis; that is, the postmaster and his assistant being employees of the Post Office Department, instead of having the work let out on a contract basis? If so, what is the minimum revenue requirement before a post office may be placed on a staff basis. Then I have one other question to ask.

Mr. BERTRAND (Laurier): The answer is yes; and the minimum requirement has been fixed at $40,000, but we hope to be able to reduce it. That requirement was put on during the war years; but now that the war is over, we hope to be able to lower it, and it is our intention to have more staff offices as soon as they bring in enough revenue.

Mr. PEARKES: That would give a rural postmaster an opportunity of being promoted to a senior station, would it?

Mr. BERTRAND (Laurier): Yes.

Mr. PEARKES: The minister referred to the extension of the letter carrier service, and the taking on of more employees. Is there any age limit beyond which you do not accept employees?

Mr. BERTRAND (Laurier): Not for the returned men, but for the others we are bound by the limit imposed by the civil service commission, which is thirty-five years of age. That does not apply to returned men; even if they are over thirty-five we take them.

Mr. PEARKES: And that applies to employees inside the post office, as well as to letter carriers?

Mr. BERTRAND (Laurier): Yes, they come under the civil service commission, like any other employee on the staff here in Ottawa or any other large city.

Mr. FERGUSON: The Postmaster General said it was the desire of his department to create more staff offices now that the war is over, and that they were considering lowering the requirement, by which I suppose he means the income of an office. In the town of Collingwood, which is in the riding I represent, we have almost the revenue necessary for the establishment of a letter carrier service.

Mr. GIBSON (Comox-Alberni): How are your sidewalks?

Mr. FERGUSON: About the finest one will find anywhere in Canada, and that goes for everything else in the town of Collingwood. At the present time I believe the revenue of that post office is approximately $27,000. I understand that it would require the services of eight returned men to carry on such a service. Eight men working eight hours a day would mean a total number of hours much less than that spent by the householders of that city who have to go to the post office at least once a day for their mail. In most cases it is the women who collect the mail. It has been brought to my attention repeatedly that most of these women cannot afford maids; they have several children in the family, and it means the mother must prepare the children each day, take them to the post office and bring them home again. This means at least two hours lost by most of the women in Collingwood, which would mean thousands of hours of work lost every week. So I suggest that eight men working eight hours a day delivering mail actually would bring about a tremendous saving in work hours and, therefore, an actual saving of money in that community. I should like the Postmaster General to give his assurance that he will reconsider the question of mail delivery in the town of Collingwood. I understand that the requirement for such carrier delivery is an annual revenue of $30,000, and I believe the annual revenue at Collingwood is about $27,000. I believe this matter has been brought to the attention of the hon. gentleman on other occasions, and I think it deserves his serious consideration.

Mr. BERTRAND (Laurier): Of course, if many questions are asked about particular places I shall be unable to answer them immediately, but it is my intention to do what I did last year and read over all these questions when we are through and see if we can satisfy hon. members. I believe it is not considered a good thing for a minister to boast too much about his own department, but as much as possible we try to say yes when we are asked to do something. We are giving a service; we are glad to give it, and we are always sorry to have to say no. In Collingwood last year the revenue was $34,226, which is not very far from the requirement of $40,000. I understand that the population is 5,600; but hon. members must take into account that if we do not have 2,000 points of call it is not economical to give letter carrier service. It takes at least four letter carriers for a small town where there are 2,000 points of call, with a

fifth carrier for relief and to help the others. If there are fewer points of call it is a difficult matter to organize economically. Collingwood is not very far from the requirement, however, and I shall give serious consideration to the hon. gentleman's request.

Mr. McKAY: In view of the fairly good showing of the Post Office Department in its surplus of receipts over expenditures during the last few years, I wonder if the minister and the government have given consideration to reducing the postal rate on ordinary mail from four cents to three cents.

Mr. BERTRAND (Laurier): I have quite a good answer to that question. This surplus is a tax, as a matter of fact. A tax of one cent was put on in 1931, and a tax of another cent was added in 1943, so that in the four cents there is a tax of two cents. It is not in my power today to reduce that tax; that is a matter which must be dealt with in the budget. I may tell the hon. member, however, that I do not believe it would be a good move to go back to the three cent and two cent rates, because expenses today are much higher than they were before the war. I do not want to say anything against our neighbours in the United States, but immediately after the war they reduced their rate from four cents to three cents for the forward letter and from three cents to two cents for the drop letter, that is, the letter which is delivered in the same city. At the same time they increased the salaries of their postal employees; and today they have a deficit of $492,000,000. It does not take long to create a deficit if you reduce your receipts. Hon. members should remember that we sold $55,000,000 worth of stamps last year. To reduce the rate by one cent on both drop and forward letters would mean a loss in revenue of $11,000,000, and we would be immediately in the red.

Mr. MacNICOL: What would be the result if you reduced the air mail rate to five cents?

Mr. BERTRAND (Laurier): The air mail rate in the United States was reduced from eight cents to five cents. At the present time a committee of the senate and house of representatives are studying the question of raising the air mail rate from five cents to six or seven cents. We do not know yet what will happen. The President has sent a message to congress asking that it be studied, with a view to recovering part of their deficit.

Mr. MACDONNELL (Muskoka-Ontario): The minister spoke about the desire of the post office to serve. Certainly in my experience may I say I have had nothing but the most courteous consideration of any requests I have made. I have never gone as high as the minister himself, but I have always had the greatest courtesy from the officials.

Mr. BERTRAND (Laurier): Sometimes it is better to go to the officials. They can give more direct answers.

Mr. MACDONNELL (Muskoka-Ontario): There was one point the minister mentioned with respect to bonuses which interested us a year ago when they were authorized. If I got the figures correctly the minister mentioned, first of all, 374 cases where no previous allowance had been made and on which there was an increase of 21·8 per cent. Then he gave a list of 260 on which there had already been a considerable allowance and, as I understood him, the allowance there was just as great as in respect of those which had had no previous allowance. On the face of it, that would appear strange, and I wonder if the minister would explain it?

Mr. BERTRAND (Laurier): These last ones, where there were supplementary payments, were the worst. Those were contracts which had been awarded on tenders first. Of course tenders are not at a set rate. Those 260 were the ones which were lowest and had already been adjusted. But, even after the adjustments, when we passed the law which allowed the readjustment of some of these contracts we found that these contracts had to be given another supplement which would bring them to about the same as those which had not been adjusted before. Those which were adjusted twice received, as a second adjustment, almost as much as those which were adjusted only once. That is because they were lower than the first ones. After they had been adjusted, the high cost of living forced us to adjust them a second time. But the percentage of adjustments, including the two adjustments in the second group and the one adjustment in the first, amounted to about the same thing.

Mr. MACDONNELL (Muskoka-Ontario): Were the adjustments pretty much on a level? Were they more or less on the same percentage basis? There was not much variation?

Mr. BERTRAND (Laurier): No, because the instruction was given to Mr. Herring, the officer in charge, who knows the department very well, to adjust them according to the prevailing rate, which would be the reasonable rate in the area. They were adjusted when they were found to be too low.

Mr. JUTRAS: What is the policy of the department with regard to the building of new

post offices, particularly in rural areas? My understanding is that during the war no new post offices were built where the revenue did not exceed $10,000. Does that policy still hold?

Mr. BERTRAND (Laurier): My colleague the Minister of Public Works has complained that I made many requests for new post offices. I admit that for six or seven years—perhaps I should say five or six years—post offices were not built except where they were absolutely necessary. Those were war years. We hope next year to be able to build quite a number. I have said we would build them where the revenues were $10,000 or more, and if it were possible to build them where revenues were lower we would do so with pleasure. There may be a few exceptions here and there, but the fact is that we would be building quite a number. I would not say the number at this time.

Mr. MacNICOL: We could leave that off until after the elections, could we not?

Mr. BERTRAND (Laurier): Perhaps it would be a good thing, from the point of view of the treasury, but you may be sure that if we could do it this year we would. Doing it next year or the year after will certainly bring it nearer an election; but it would not be for that purpose at all. There will not be any distinction as between constituencies which elect good Liberals, good C.C.F.'ers or good Progressive Conservatives.

Mr. JUTRAS: I hope what the minister has said does not apply to extensions of post offices already existing. I have one in mind at Steinbach, Manitoba, where they have been after the department for years to have their post office enlarged. The building is much too small for the present population. There they have been met with the objection that the department would not make expenditures where revenues were not over $10,000. During the war the revenue in that post office was slightly below this amount. The people in the district claim that they can scarcely get over that amount with the accommodation they have. At the present time I understand that most of the business houses are doing their business directly with Winnipeg by means of the buses which go to that city daily. They buy large quantities of stamps in the city before coming to the town, and in this way the department is losing revenue. The revenue of the post office is not increasing, and yet, since the beginning of the war, the population has almost doubled. I would ask the minister to look into this matter particularly.

[Mr. Jutras.]

Mr. BERTRAND (Laurier): We will.

Mr. MacLEAN: In connection with rural mails, let us suppose there are two routes of twenty miles each, with fifty stops on one and one hundred on the other; how does the department arrive at payment on a mileage basis as between those two routes?

Mr. BERTRAND (Laurier): When the routes are established we ask for tenders. The gentleman who tenders will know the amount at which he should place his tender in order to make a fair living. If a tender is too high we reserve the right to ask for new tenders. That has happened often. If it is a renewal of contract and we pay a supplement we keep in mind that the man who served one hundred boxes should be paid more than the man who served fifty.

Mr. MacLEAN: But the minister says the payment is at a certain amount per mile. Let up suppose the payment is on that basis, but there are fifty people on one route and one hundred on the other.

Mr. BERTRAND (Laurier): We do not pay the contractors by the mile. We ask for tenders, and they tender for a certain amount for the full route. If we adjust such a contract, of course we will adjust it and give a little more to the man who serves one hundred than to the man who serves only fifty.

Mr. CASE: Has there been any general reduction in the hours worked by the employees of the department?

Mr. BERTRAND (Laurier): No, they work forty-four hours a week.

Mr. CASE: Provision is made for 1,020 additional employees over last year. Is that on account of the normal expansion of the service?

Mr. BERTRAND (Laurier): Yes, there has been quite an increase in post office business. For example, the sale of money orders and postal notes last year amounted to $498,000,000, and this year, $611,000,000, a record figure. That is only one illustration of how business has increased. The restoration of two deliveries a day has also necessitated employing a great many more letter carriers in the cities.

Mr. CASE: The department is budgeting for an increase of $180,000 for temporary help. I suppose the same explanation would apply there, an anticipated expansion of business?

Mr. BERTRAND (Laurier): I could give details of the number of extra employees taken on, especially at Christmas, if the hon. member wanted them. I have here some figures as

to the increase in postage stamp sales, and postage paid in cash, which may be of interest to the hon. member and the committee. The figures are as follows:

Progressive statement of increase or decrease in postage stamp sales and postage paid in cash compared with the same month of the previous year since April 1, 1946:

	Increase	Decrease
April, 1946	$ 39,830.43	
May, 1946		$ 8,666.33
June, 1946		107,539.45
July, 1946	556,548.94	
August, 1946	515,668.41	
September, 1946	379,587.00	
October, 1946	476,655.78	
November, 1946	596,205.29	
December, 1946	927,946.09	
January, 1947	375,075.83	
February, 1947	413,840.91	
March, 1947	167,540.14	
Total for the year	$4,332,693.04	
April, 1947	$440,724.16	
May, 1947	693,723.00	

Mr. CASE: The temporary employees are, I understand, more or less seasonal employees. Can it be anticipated that they will become permanent?

Mr. BERTRAND (Laurier): A certain number of temporary employees are employed full time the year round. If they succeed in passing an examination and are returned men they get the preference in appointment. If not, they have to wait until their turn on the eligible list is reached. At Christmas we take temporary employees on by the thousands. More than 5,000 temporary employees are taken on at Toronto for the Christmas rush.

Mr. CASE: How long has a temporary employee to serve in the department before he is eligible for permanent employment?

Mr. BERTRAND (Laurier): At least one year, but during the war we took on a lot of temporary employees who have now served for two, three, four and five years. I do not like it when we have to tell them that we have to replace them by the veterans, but that is the law and we have to comply with it.

Mr. CASE: When the minister asked for an increase of $2,387,714 in his estimate, is that simply to provide for the normal expansion of service such as the minister indicated by the monthly increases which he gave a moment ago of post office business?

Mr. BERTRAND (Laurier): Yes.

Mr. CASE: As to the bonus for rural mail carriers, are the carriers still eligible to apply for the bonus, or has that all been completed?

Mr. BERTRAND (Laurier): It is not completed. We have applications coming in all the time.

Mr. CASE: And you are still giving consideration to it?

Mr. BERTRAND (Laurier): Yes. We have one year during which we may increase their compensation.

Mr. GIBSON (Comox-Alberni): I realize that the minister and his officials are giving careful consideration to the provision of a letter carrier delivery for Port Alberni. I am sure the minister appreciates that Port Alberni is becoming one of our most important cities in Canada. It is the third largest lumber exporter in the country, a fact which is not very well known. I am sure the minister will recall having visited there while he was minister of fisheries, and I can assure him that he has many good friends there who still remember him very kindly. That city has had the most phenomenal growth of any city in Canada. I should like the hon. member for Davenport to visit us. I am sure it would add greatly to his knowledge.

Mr. MacNICOL: I have it on my itinerary.

Mr. GIBSON (Comox-Alberni): I sincerely hope that the hon. member can visit us. We have a population of 10,000 and a substantial postal revenue. Unfortunately we are not in the position of some eastern towns. In the good old days when there was a surplus of cement your towns in the east borrowed money and laid sidewalks. Port Alberni is prosperous and is prepared to lay sidewalks but it cannot get any cement. The city council and the board of trade there are anxious to cooperate with the minister, but everybody in that 10,000 population has to crowd into the small post office every evening for the once-a-day distribution of mail, and this creates an almost impossible situation, necessitating the provision of a letter carrier service in the town. That would save the department a large investment in a post office building, which is urgently needed, but which, I appreciate, is difficult to have built at the present time. I and the minister's friends would appreciate it very much if a letter carrier service could be provided for Port Alberni this year.

Mr. BERTRAND (Laurier): I might inform the hon. member that the post office revenue at Port Alberni last year was $41,234. I know the town well. I have been there, and it does not need many more industries to have sidewalks built of lumber for the whole town if cement cannot be obtained.

Mr. FRASER: A few moments ago the minister mentioned the postal rate in the United States. Since the United States postal rate has been reduced to three cents, the people there mail their letters here for three cents and when they are delivered the people in Canada have to pay an extra two cents on them.

Mr. BERTRAND (Laurier): No.

Mr. FRASER: They have been doing that.

Mr. BERTRAND (Laurier): According to the postal convention, a letter posted in the United States at the United States postal rate, which is three cents today, is delivered anywhere in Canada at that rate, without another cent being asked for.

Mr. FRASER: Extra postage has been demanded on post cards.

Mr. BERTRAND (Laurier): Extra postage might be required if the letter was much overweight, but our postal convention requires us to deliver United States letters to Canada at the prevailing rate in the United States.

Mr. FRASER: Postcards have been sent over here and the recipients have had to pay extra on them. It may have been a mistake on the part of the post office.

Mr. BERTRAND (Laurier): Those were postcards?

Mr. FRASER: Yes.

Mr. BERTRAND (Laurier): They had to put one cent on them. The postcard is printed matter, but it becomes a letter when there is writing on it and we have to collect the one cent here which we account for to the United States. They tax it and we have to collect it and account for it. It is not the Canadian postal authorities who tax; it is the United States authorities. When they get these postcards they tax them, and we have to collect the tax when we deliver the postcard and account for the one cent.

Mr. FRASER: That may be the reason.

Mr. BERTRAND (Laurier): Yes.

Mr. FRASER: I am glad to have the minister's explanation. It is, of course, a Canadian stamp that is put on it here.

Mr. BERTRAND (Laurier): We have to account for it.

Mr. FRASER: The post office workers throughout Canada asked the department some time ago to restrict or limit the size of envelopes. They object to the wee ones that are sent out by some people. They say it slows up their work. Has anything been done with regard to that?

[Mr. E. Bertrand.]

Mr. BERTRAND (Laurier): We have a letter which we call "Canada air mail" which is used for air mail. One of these days we shall have to emphasize the regulations in so far as light paper for air mail letters is concerned. We have come to the point where, instead of sending fifty air mail letters to the pound, we do not have more than thirty, thirty-one or thirty-two letters to the pound.

Mr. FRASER: It was the size of the envelopes that the workers were objecting to because there were so many small ones going through. When the minister was talking about the rural mail contractors he did not say whether any who applied for bonuses were refused. Have any been refused?

Mr. BERTRAND (Laurier): Oh, yes.

Mr. FRASER: Does the minister know how many?

Mr. BERTRAND (Laurier): If Mr. Herring were here he would be able to give us the figure, I suppose. There were requests that were absolutely unreasonable and of course they were refused.

Mr. FRASER: Will the minister tell the committee what revenue was received from the sale of stamps to collectors?

Mr. BERTRAND (Laurier): To philatelists; it is extraordinary. The Graham Bell stamps brought in $125,000 before they were issued. The money was sent in by philatelists all over the world who wanted to have that stamp.

Mr. FRASER: It is almost a clear profit.

Mr. BERTRAND (Laurier): The total amount for the year is over $300,000.

Mr. FRASER: That would be almost a clear profit.

Mr. BERTRAND (Laurier): Well, it is.

Mr. MacNICOL: Velvet.

Mr. FRASER: "Velvet," the hon. member for Davenport says. The minister has had representations from Peterborough in regard to the crowded post office there and the conditions which exist in that building. After the mail comes in, the sorters have almost to get out of the building because there is no room for them to work. What is the minister doing about the matter?

Mr. BERTRAND (Laurier): I admit that the situation there is very bad. That is one of the post offices that we have considered.

Mr. JOHNSTON: The minister mentioned a moment ago that the Bell telephone stamp brought in about $300,000.

Mr. BERTRAND (Laurier): I said $125,000.

Mr. JOHNSTON: Who paid for the cost of printing that stamp, the Post Office Department—

Mr. BERTRAND (Laurier): The department.

Mr. JOHNSTON: —or the Public Works Department.

Mr. BERTRAND (Laurier): The department. The public works department do not print our papers; they do not print our stamps. They furnish us with good quarters whenever they can, with the buildings; and they maintain the buildings; we pay for the bags; we pay for the printing and everything.

Mr. JOHNSTON: Does the public works department pay for the coal, water and light?

Mr. BERTRAND (Laurier): Yes; that is included in the maintenance of the building.

Mr. JOHNSTON: When the minister was speaking a while ago he spoke about the tremendous deficit of $492 million in the United States post office department as compared with our own. I wonder whether the United States post office department conducts its business as we do ours in Canada. It seems to me that the Post Office Department is one of those departments which are owned by the government and operated as a monopoly. It is a department which is sometimes used as an illustration of socialism, state ownership. Yet, since the war started, we have raised the price of the stamps one cent. During the first great war we raised the price one cent.

Mr. BERTRAND (Laurier): Not since the war, during the war.

Mr. JOHNSTON: About 1941.

Mr. BERTRAND (Laurier): 1943.

Mr. JOHNSTON: During the first great war we put on the first extra cent, which brought us from two cents to three cents. Then in 1941, I believe, another cent was put on, which brought it up to four cents. Despite all these increases, our department has had a surplus of something like $11 million.

Mr. BERTRAND (Laurier): Two years ago; this year it is $8 million.

Mr. JOHNSTON: Despite these surpluses, the department does not pay any of its overhead expenses. Whoever heard of a business being conducted in that way? The Department of Public Works takes care of all the expenses. If there is any renting of buildings the Department of Public Works pays for it; if there are any repairs to be done to the buildings the Department of Public Works pays for it. If they need coal, water, light or anything like that the Department of Public Works pays for it. The minister says that they supply the paper for their own stamps. In view of that, I should like to suggest to the Postmaster General that he make a request to have the price of postage stamps reduced by at least one cent.

Mr. BERTRAND (Laurier): I explained a few minutes ago that doing that would cost the treasury $11 million, and that is just by reducing the postage one cent on first-class mail letters.

Mr. MacNICOL: Out would go your surplus.

Mr. BERTRAND (Laurier): Yes.

Mr. JOHNSTON: That being so, would it be true to say that it would cost us $11 million.

Mr. BERTRAND (Laurier): Yes.

Mr. JOHNSTON: I think the minister said that the increase was put on for taxation purposes.

Mr. BERTRAND (Laurier): Yes.

Mr. JOHNSTON: That would reduce our revenue by $11 million. I do not think the Post Office Department is one of the most inefficiently run departments, but certainly from the financial point of view it produces less returns than any private business would consider a fair return. It has absolutely no overhead expenses, no upkeep whatever. Surely it could never be said and should not be said in the public accounts or in the estimates that the Post Office Department pays its way, because it does not. It would go in the hole if it had to pay a fair and equitable amount of expenses such as any other business is forced to do.

Mr. GLADSTONE: The hon. member will find that all departments are on the same basis. That is the system which is followed. I do not think one can find any department that pays its light, heat, water and rent.

Mr. JOHNSTON: The hon. member knows that the Post Office Department is in an entirely different category. It is a revenue producing department; the others are not. Even if what he has said were true, which it is not, that would be no reason why the Post Office Department should carry on in such a manner.

Mr. BERTRAND (Laurier): The first statement I made was that we do not give these figures as a profit. It is not a profit at all; it is simply an operating surplus. We

are one part of the government of Canada and the public works department is there to put up buildings when necessary and to maintain them. By calculating what we should pay, we could say whether we were arriving at a surplus or not. I explained that when I began. We would arrive at a surplus of about $4 million by calculating the rental which we would pay if we were an independent business. But I have never said, and I do not wish to be understood as saying, that the $8 million is a profit. I repeat, it is not a profit at all.

Mr. PROBE: I wish to come into this discussion for a moment at this stage because of what my genial friend the hon. member for Bow River said with respect to the socialist aspect of the Post Office Department. I would indicate to the Postmaster General one way whereby he could increase his revenue by over $7 million. I asked the Postmaster General a question which was answered on April 2 of this year with respect to postal matters. The answer will be found at page 1967 of *Hansard*. I asked certain questions with reference to second-class mail matter handled by the Post Office Department. Among other questions, I asked him what was the estimated profit or loss to the department in the handling of periodicals in the years 1944, 1945 and 1946. I was referring to newspapers and periodicals generally, and the answer I received from the department was that the loss in handling newspapers and periodicals is estimated at $7,287,400 per annum. Now out of a total budget of the Postmaster General's department this year of $67 million, the one item of handling second-class mail matter, showing an estimated loss per annum of some seven and a quarter million dollars, seems to me to be something that should be explained by the minister. Most second-class mail matter consists of newspapers which carry an extensive paid-advertising section or sections in the papers, and those sections are, particularly among the larger and bulkier periodicals, a definite source of profitable revenue to the newspapers and periodicals. It would seem to me that, instead of giving these large newspaper syndicates special concessions by way of carrying charges, so that the Canadian people, in addition to the huge advertising costs that undoubtedly are collected in the course of each year, pay the sum of $7,287,400 for carrying advertising for which the Canadian public pays in a variety of ways, the minister could improve the balance sheet of his department by placing increased charges particularly on the heavy periodicals. Those that carry a certain percentage of advertising should definitely pay a considerably larger amount than they are now doing for matter handled by the department. May I ask what the minister's policy is with respect to the tariff schedules charged for second-class mail matter? I should be pleased to have a brief statement.

Mr. BERTRAND (Laurier): It has always been the policy of the government, ever since 1882, to favour the newspapers—

Mr. PROBE: I know that.

Mr. BERTRAND (Laurier): —on the ground that it is some kind of education which is being distributed to the public. The rate has varied. In 1888 it was one cent a pound, and it became postal free. In 1899 it was one quarter of a cent a pound between the first of January and the thirtieth of June and then one-half cent a pound from the first of July, 1899. Coming to our days, it is now one cent for weeklies or monthlies published in cities with a population of 10,000, but within forty miles of those towns which are less than 10,000 the distribution is made free.

Mr. PROBE: For 500 only, is it not? It is for a very limited number. I have no quarrel with that procedure. That is all right because that is local distribution.

Mr. BERTRAND (Laurier): For circulation under 10,000 copies per issue it is one cent, and over 10,000 copies per issue it is one and one-half cents. Where space is devoted to advertising the law says that fifty per cent is permissible in advertising and fifty per cent in reading matter; and, so as not to quarrel, we count from fifty-four per cent. The law says fifty per cent, and it has always been that way, but they may have advertising matter to the extent of fifty-four per cent. If they exceed fifty-four per cent and they are caught, as happens quite often, we charge them four cents a pound on all that section of the newspaper which covers advertising. I have no figures here, and I should not like to mention the newspapers that have paid fines, but some have paid heavy fines. All this is for the purpose of giving the public reading matter at a very low cost. I admit that if we charged the newspapers what the service costs the department, we would save $7,287,000. In the United States they are trying to raise the rate from three cents to four cents, and from what I read in the newspapers there is an attempt to charge the higher postal rates. But I doubt very much whether they will succeed. At all events, I would prefer to wait until they succeed before we start the same operation here.

Mr. PROBE: But I see no reason why we should not precede the United States in

putting our foot down on a practice which, I think, is not altogether one of share-the-wealth. The minister has given us an excellent explanation as to the historical background of how the newspapers have been expanding at the expense of the Canadian public. He might go into the matter of charging this increased rate of four cents a pound, as I understood him to say, for the entire amount of each newspaper's advertising section. On that basis I am sure the minister would have no difficulty in recouping the Canadian people for the seven and a quarter million dollars which we are now paying as a subsidy to the newspapers. The newspapers could not very well complain, because that portion of the newspaper is definitely extra revenue material. I do not see why the fifty per cent portion of the newspaper space is allowed to advertising and the carrying charge is made on the basis of one cent. May I ask a further question? Is the mileage which the newspapers and periodicals are transported within Canada considered at all in his department's assessment of the carriage rate for second-class mail matter?

Mr. BERTRAND (Laurier): No, it is not. It is just like a letter.

Mr. PROBE: A letter amply pays for its own weight to any portion of Canada, but second-class mail matter does not. Therefore distance should be a factor.

Mr. BERTRAND (Laurier): In any event, it is not counted.

Mr. MENARY: Coming as I do from a rural district, I should like to ask if something could not be worked out so that rural mail carriers would get a more equal salary. In my riding I know of a returned soldier who took a mail route of twenty-two miles for $825. He cannot carry it. There are other mail routes in my riding which have been put up at tender, and the tender has been too high. There is one route there paying $1,500 a year, and other routes of an equal distance are being carried for about $850. Can something not be worked out whereby these men will get a living wage? There is another man in my riding who took a route of twenty-two miles for $1,200. He told me he had $2,000 in cash out of his sale when he went in to operate that route. He operated the route for three years, and said he had spent his $2,000 and did not get a dollar out of it. So he gave up the route. I could mention the route, although the minister may know of it. It seems that these boys and old men come off the farm, go in there and think they can run these routes and make quite a big amount of money. Then they find they cannot live. They have to get a horse or a car, and sometimes two horses. Could some fair proposition not be worked out for them so that they would get a living wage?

The CHAIRMAN: Order. It appears to me that some of the discussion which has taken place tonight could more appropriately take place on the particular item concerned. For instance, the discusion on rural mail routes could, I would think, take place on item 265, air and land mail services. Other similar discussions could more appropriately take place on the individual votes rather than on the administration item. This is a suggestion I make to the committee.

Mr. DIEFENBAKER: Just in that connection, may I point out that the minister himself, in opening up the discussion of the estimates this evening, brought this matter in. That is the reason it is being discussed at this time. The minister led the way and others are merely following his lead.

The CHAIRMAN: Does the committee not agree with me that it might be better to consider the matters as they are called by the Chair?

Mr. JACKMAN: After this.

Mr. BOUCHER: I think it is customary on the first item to allow considerable leeway. Probably more progress could be made in that way. I think the minister would be quite willing to answer my deskmate's question at this time. It will save its being asked later.

The CHAIRMAN: If I might interrupt, as the hon. member for Rosedale and some others have stated, after this question is answered, does the committee not feel that we should proceed as I have suggested?

Mr. BOUCHER: I think every other member would say that procedure should be followed after his particular question is answered. Now that this is up for fairly general discussion, I think we had better cover as much ground as we can.

There is a point I should like to draw to the minister's attention, and he might answer when he answers my colleague. Could the post office not be a little more careful in the issuing of stamps, and have them properly centred? This is a business in Canada and in the world which our philatelists follow carefully. They have a certain pride—and it is a commendable one—in the collection of stamps of various kinds and descriptions. These stamps bring fairly high prices. For instance, the minister spoke of the Alexander Graham Bell stamp, so many of which issue

were sold. This business has a material place in the revenue. I do not think Canada is any worse than any other country, but we should like to think we are a little better. I should like to see these stamps issued with a little more care. I could give the minister illustrations of my criticism right from my own office in the House of Commons. I should like to see the stamps better centred, and better stamped. In cancelling the stamps, I should like to see the post offices throughout the country use machines which were a little more in keeping with good taste, to the end that the stamps might not be all smudged up and destroyed, as they very often are. A little care and attention on the part of the postmasters and the people who publish the stamps might very well improve the situation, and put us in a position where we could be proud of our stamps, and our philatelists would be better pleased in that regard. I would ask the minister to make a statement on that when he gives his answer to my hon. friend.

Mr. BERTRAND (Laurier): The statement is short. It has happened that stamps are spoiled. My attention has been drawn to that; I have asked my officials to see to it and given instructions that they be more careful.

Mr. GIBSON (Comox-Alberni): I do not think the matter raised by the hon. member for Regina should be allowed to drop. Anybody who makes a suggestion for the saving of $7,000,000 to the Canadian taxpayers has really got something. We ought to enlist the services of the best minds we have around here and get them working on it. Every time I think of the difficulty we have in establishing mail services in small towns—I understand the minister has financial problems, and I can appreciate them—I realize that this $7,000,000 would go a great distance in helping out many of the members here with regard to the postal problems in their ridings. When I think of our dragging carloads of these Toronto *Weekly Stars*—and we will just take that as an example; I imagine that is the worst offender—

Mr. PROBE: Try the *Globe and Mail.*

Mr. GIBSON (Comox-Alberni): We are dragging carloads of these newspapers over the mountains, and I imagine the department is absorbing that mountain differential about which so much has been said in British Columbia. When one thinks of the educational features of that paper, what does he find? The bulk of the weekly edition consists of Orphan Annie, Dagwood and various fantastic articles on what science might do one hundred years from now.

[Mr. Boucher.]

Mr. BROOKS: The hon. member must be a careful reader of that paper.

Mr. GIBSON (Comox-Alberni): As a matter of fact, I avoid it assiduously; I can assure the hon. member of that. But we do not get enough revenue out of that newspaper to pay for its delivery after its gets to Vancouver, let alone to pay the Canadian Pacific and the Canadian National what they must charge for taking it over there. We are having great difficulty in British Columbia in obtaining sufficient newsprint to publish newspapers large enough to contain all the news we have to print; yet we see these thick newspapers brought in from Ontario at the expense of the taxpayers. I think it is about time we quit subsidizing these newspaper millionaires in Canada. It may have been an excellent plan in 1882, before we had the radio, but I believe we in western Canada could certainly do without a great deal of the type of literature that is shipped the longest distance at the least expense. If I never see the *Star* out there I can get along very well.

Item agreed to.

262. Post offices, including salaries and other expenses of headquarters and staff post offices and supplies and equipment for revenue post offices, $30,838,101.

Mr. JACKMAN: How much was collected last year in overdue postage? If one receives mail from the United States it may lack one cent; one has to pay two cents, and there always has to be someone at home to pay the postage, otherwise the postman does not deliver it.

Mr. BERTRAND (Laurier): We do not keep track of that. I suppose the hon. gentleman is speaking of postcards with something written on them, which may come in with only a one-cent stamp?

Mr. JACKMAN: Would that require three cents or two cents, coming from the United States? What is the rate from the United States to Canada on postcards?

Mr. BERTRAND (Laurier): One cent.

Mr. JACKMAN: And if anything is written on the postcard it is three cents?

Mr. BERTRAND (Laurier): Correct.

Mr. JACKMAN: From the United States to Canada?

Mr. BERTRAND (Laurier): Yes.

Mr. JACKMAN: But there are no records showing how much was collected in overdue postage? I imagine it would be a small amount, and I suggest that probably it costs the Post Office Department more to collect

it than it is worth. I do not think any substantial amount of mail would be sent purposely with less than the required postage.

Mr. BERTRAND (Laurier): It is a comparatively small amount. Of course the United States also collects for us whenever a letter is loaded too heavily, for example. We receive the letter and give instructions on it to collect so much and that amount is collected in the United States. We collect when they give us instructions to do so, but we do not keep a special account for that. As I think the insurance companies say, it is knock for knock.

Mr. JACKMAN: This matter of overdue postage—

Mr. BERTRAND (Laurier): It is a very small amount.

Mr. JACKMAN: I would expect it to be, but it is a great nuisance to people, and I think it comes about through inadvertence rather than intent.

Mr. BERTRAND (Laurier): But if we did not collect it, and that became known, it might become a custom.

Mr. JACKMAN: One might think it would become a custom if it were known that the post office would not collect overdue postage, but I point out that if one wished to do so, where letters are sent out by the thousand one could ship them over to the United States and use the United States three-cent rate as against the Canadian four-cent rate, if I followed the minister a moment ago. People do not do those things, however; it is not worth while. If the Post Office Department delivered this underpaid mail, particularly and perhaps exclusively when it comes from another postal jurisdiction, without collecting the extra charge, I do not think they would lose anything. I am sure the cost of collection must be greater than the amount collected, without considering the inconvenience to the people, because, as I said, they cannot get their mail unless they happen to be at home to give the postman the two cents, or whatever the amount may be. Then the postman has to write that down on a form and I suppose that form has to be audited. So, if the Post Office Department had records showing the cost of collection I believe they would find they were actually out of pocket. I would suggest that the Postmaster General give this freedom of postage, if I might use that term, a trial; then if he found it abused he might have to revert to the old system.

Mr. BERTRAND (Laurier): I must tell the hon. gentleman this is one of the obligations imposed under the contract with the postal union. It is done all over the world.

Mr. JACKMAN: All I can ask, then, is that the Postmaster General use his good influence when he attends the next international convention.

Mr. MENARY: Would the minister answer my question, please, in regard to rural mail carriers?

The CHAIRMAN: Order. Would the committee carry item 262 first?

Mr. MacNICOL: No. I want to ask a question on it.

Mr. BERTRAND (Laurier): I will answer the question first. There are not many items in my department; as the hon. member for Lake Centre said, I was probably the first offender because I wanted to give an over-all picture of the department, and then the discussion continued.

As to the question asked by the hon. gentleman, these tenders are called from a certain class of people, who perhaps are not chartered accountants. By that I mean they did not have the chance to go to college. This is the tender principle, and it is unfortunate when these tenders come in too low. We do not like that, as a matter of fact; but the law obliges us to accept the lowest tender, and if we do not do that we fall into difficulties. For that reason we have varied the contracts to give these tenderers a chance after three months' notice to get out of their contracts if they so desire. But that is the principle in force in all departments, except that the contracts given by the Post Office Department are for smaller amounts. As I said when we passed the act in regard to supplements, I had a bill prepared this year to increase the amount of a contract the Postmaster General may give without asking for tenders. That amount should be around $1,000, but it is only $200 today. The bill I had prepared put the figure at $500; but I withdrew that bill, and I do not know whether I shall bring it in another year. Such legislation would be some kind of protection to these people. At the same time, of course, it might give someone an opportunity to favour a man of his own party, whoever might be in office. I would not do that, of course; but it is a possibility, and for that reason we have been asking for tenders.

Mr. MacNICOL: When the estimates were up a year ago I brought to the attention of the minister the fact that postal foremen of letter carriers in substations had not been given the advance they had been promised.

Have the salaries of postal foremen in substations been advanced to what they should be?

Mr. BERTRAND (Laurier): I am told they have now been adjusted. First, we adjusted the rank and file, and now they have all been adjusted.

Mr. MacNICOL: What is the rate now?

Mr. BERTRAND (Laurier): If the hon. member would give us a position, for example, we would be able to give him the information more quickly.

Mr. MacNICOL: Take any of the branch post offices in Toronto; station "L" for example.

Mr. BERTRAND (Laurier): I can get the information and give it to the hon. member privately. But I can give my word we have adjusted them all.

Mr. MacNICOL: In a number of the branch post offices in Toronto the letters are sorted in the basement.

Mr. BERTRAND (Laurier): At Christmas time that has to be done, because of pressure of work.

Mr. MacNICOL: I am not finding fault; the basements I have been in are quite satisfactory. But in the summer months they are extremely warm on account of lack of ventilation. Has the department considered putting in fans?

Mr. BERTRAND (Laurier): I shall take a note of that, and make representations to the Department of Public Works.

Mr. CAMPBELL: I understand that class "B" post office employees are not civil servants; is that correct?

Mr. BERTRAND (Laurier): They are not. We have revenue postmasters who are paid so much out of revenue, and are not civil service employees. They do not pay anything for superannuation, and do not receive pensions when they leave their positions. Their employees are paid by the postmasters of those offices. Then, in class "2B" the postmaster is a civil servant, but his employees are not. The department fixes the rate at which they are to be paid.

Mr. CAMPBELL: Last winter the starting wage was $87 a month for new employees. The town of Lloydminster in my constituency is growing rapidly, and at the present time is experiencing an oil boom. At that point the postmaster has found it impossible to get help at $87 a month. Those workers in the post office, along with the postmaster, are working fifty-two hours a week. I have taken the matter up with the deputy minister, but I do not know whether any change has been made.

Mr. BERTRAND (Laurier): I am informed that he has those representations on his desk, and that he is looking into the matter.

Mr. McLURE: Are the salaries received by postal clerks the same in all offices? For instance, are they the same in the Charlottetown and Toronto offices? Is a man doing the same work and putting in the same hours in those respective offices paid on the same basis?

Mr. BERTRAND (Laurier): The postal clerks in the small cities do not reach the same maximum as those in large cities such as Toronto, because they do not have as much work.

Mr. McLURE: They are doing the same work and putting in the same hours.

Mr. BERTRAND (Laurier): No, the work is not as difficult. To sort mail in the larger cities they have to pass examinations, and it is much more difficult.

Mr. BROOKS: I understand that the minister's department has received certain recommendations with reference to the post office at Sussex, New Brunswick. What changes or alterations have been recommended? In my opinion there should also be a new post office building in that town. The present one was built in 1889, when Sir George Foster represented the constituency. The population has increased from less than 1,000 to nearly 4,000.

Mr. BERTRAND (Laurier): We are making a change in that post office. I am told there is an item in the public works estimates for that.

Mr. BROOKS: The item has been recommended by the Post Office Department?

Mr. BERTRAND (Laurier): Yes, we are making changes there. I understand that a staircase is to be built on the outside.

Mr. BROOKS: What changes have been recommended?

Mr. BERTRAND (Laurier): I shall write the hon. member to tell him that.

Mr. BOUCHER: I understand that there are some smaller post offices the revenue of which is determined by the amount of postage stamps they sell. Mail delivery is given at those offices. I have in mind the post office at Woodroffe, just outside the city of Ottawa, where mail delivery is given, but where the revenue to the postmaster is not sufficient to permit his giving a proper service and having

a regular establishment. Could the Postmaster General do something for such post offices which would enable the postmaster to give efficient service to the people in the community who want their mail delivered, but who are working in the city of Ottawa, for instance, and do not buy postage stamps or register their mail at that office, and in this way do not contribute to its revenue, or to the revenues which would normally come to a post office?

When answering that, would the minister give some information respecting the requirements of the Post Office Department as to the number of people in an area where mail delivery will be given? We know that street conditions, the numbering of streets and matters of that kind are considered. However I know of some areas where mail delivery is given and other areas more congested where it is not given. What is the yardstick used by the Post Office Department in deciding which areas shall get delivery and which shall not?

Mr. BERTRAND (Laurier): With respect to the first question, the people who receive their mail at a post office are supposed to buy their stamps there. The hon. member will realize, however, how difficult it would be to enforce that expectation, particularly in view of the fact that people will buy their stamps in the city when they are coming to the city each day. They do not save anything by so doing, and perhaps they cheat the postmaster at the office where they get their mail. They drop their letters in the boxes in the city.

If in his question the hon. member is referring to the giving of a letter carrier service to a small town immediately adjacent to Ottawa, for example, the reply would be that we do not need 2,000 points of call because we would simply be extending the service given in the larger Ottawa area. To give a direct answer, I would have to have a survey made of the area in question.

Mr. BOUCHER: Perhaps I can put my question more clearly. An extension was given recently to a certain street in my constituency. It happens that two streets farther on there are more residents requiring the service. I believe they merit that service, but the extension was not made far enough to include those two streets where the population is more congested than it is in the area in which it was given.

Mr. BERTRAND (Laurier): We will look into that.

Mr. BOUCHER: I have been speaking about mail delivery at McKellar, which is not in Ottawa, and also mail delivery in Ottawa West and in Westboro south of the railway tracks, both of which areas are deserving of service.

Mr. BERTRAND (Laurier): I will look into the matter.

Mr. DIEFENBAKER: What has been the net increase in the number of employees of the Post Office Department appointed by the civil service commission since May 1, 1945?

Mr. BERTRAND (Laurier): Does the hon. member mean the increase in money?

Mr. DIEFENBAKER: No, the increase in numbers.

Mr. BERTRAND (Laurier): I have no comparative figures as far back as that but we could furnish them later. I have comparative figures for 1946 and 1947. For departmental administration as of April 1, 1946, we had 118 permanent and 56 temporary employees, or a total of 174. As of April 1, 1947, we had 102 permanent and 73 temporary employees, or a total of 175. The grand total for post office headquarters administration, inspectors, railway mail service, air and land mail service was, as of April 1, 1946, 662 permanent and 520 temporary employees, or a total of 1,182. As of April 1, 1947, there were 592 permanent and 557 temporary employees, a total of 1,149 as against 1,182 the previous year. So that there was a small reduction here at headquarters.

I have also the number of employees in staff post offices, in district offices and in the railway mail service as of the dates indicated. As of July 31, 1945, the grand total of employees was 13,196, an increase of 1,597. As of May 31, 1946, the grand total of employees was 14,293, an increase of 1,097. As of February 28, 1947, the grand total was 14,678, an increase of 385. The number of temporaries had increased on that date by 848, and there was a decrease of 463 in the permanent employees. We are making temporaries permanent as we go along.

Mr. DIEFENBAKER: These figures do not very well fit in with an answer which the minister gave me the other day in sessional paper No. 106N, in answer to the question:

> How many appointments to permanent or temporary positions with salaries per annum (a) under $2,000; (b) between $2,000 and $3,000; (c) over $3,000, have been made to the civil service since May 9, 1945?

The answer so far as the Post Office Department was concerned was (a) permanent 57, temporary 6,129; (b) permanent 19, temporary 1.

It is pointed out in this return that this does not include postmasters whose remuneration is based on the revenue of their offices. This reply would indicate an increase of some

6,000 employees, permanent and temporary, during a period of two years. That is the reason I asked my question, because it appeared to me that either a mistake is made in this return or a substantial error has been made by the minister in the answer he has given to the committee.

Mr. BERTRAND (Laurier): If the answer the hon. gentleman has quoted is for the post office, there is a big error there.

Mr. DIEFENBAKER: That is why I asked that question as to how many appointments to temporary and permanent positions had been made in the past two years and what had been the increase in the two years. I wish the minister would procure that information, because this return would indicate a phenomenal increase in the number of employees during the past two years.

The next question I wanted to ask the minister is this. In this return I asked whether or not the veterans preference was being followed in making appointments to the civil service. I wish to ask the minister that question as to his department. Is the veterans preference being lived up to?

Mr. BERTRAND (Laurier): Definitely. Almost every day we are replacing temporary employees who have been there for years, some of them for five years, with veterans.

Mr. DIEFENBAKER: I appreciate that answer from the minister, because from this return the indication is that in some other departments there is a serious departure from the veterans preference, since it sets forth in detail the numbers who have been appointed to the civil service in that period of two years and shows that 11,094 males who were not entitled to the veterans preference were appointed to the civil service in a period of two years. That indicates a substantial departure from the veterans preference. Could the minister indicate what precentage of the 6,000 odd appointments made to the Post Office Department in the past two years have been of those entitled to the veterans preference?

Mr. BERTRAND (Laurier): I have not that information here, but I have a memorandum which might throw some light on the hon. gentleman's question. It is a memorandum addressed to acting deputy postmaster general, as follows:

Re: Temporary employees—Operating Postal Service	
Total temporary staff	6,412
Temporary employees entitled to the veterans' preference	5,044
Comprised of—	
(a) Those qualified by examination	3,946
(b) Those not qualified by examination	1,098

[Mr. Diefenbaker.]

I might point out that the civil service commission has made a new rule recently that if a veteran tries his examination and does not succeed he is given a second chance later.

Mr. DIEFENBAKER: When was that ruling made?

Mr. BERTRAND (Laurier): Very recently, a week or so ago. The memorandum continues:

Temporary civilian employees	1,368
Comprised of—	
(a) Those qualified by examination	1,080
(b) Those not qualified by examination	267
(c) Those who are married women	21

Mr. DIEFENBAKER: How many of those are veterans?

Mr. BERTRAND (Laurier): Those are civilian employees. Those who qualified by examination, 1,080; those not qualified 267; those who are married women, 21, or a total of 1,368 civilians as against 5,044 returned employees entitled to veterans preference.

Mr. DIEFENBAKER: In the event that there is a vacancy in the rural post office, is the preference given to the veteran??

Mr. BERTRAND (Laurier): Yes, every time that a veteran falls within the regulation—he has to live for twelve months in the place of work, for example—we give him the preference.

Mr. DIEFENBAKER: There is no departure from that?

Mr. BERTRAND (Laurier): No. There might be a departure if the man is found not fit to fill the job. For example, today I received a complaint on moral grounds about the preference that had been given. We have not yet decided on the question. We have asked those who made the complaints to furnish us with the proof. If it is found that the complaint is true we shall have to withdraw the appointment, but only if it is proved beyond the shadow of a doubt.

Mr. MacINNIS: I should like to ask a question for the purpose of information. When I was in Vancouver a little while ago it was drawn to my attention that many businesses were installing stamping machines, or at least a system of providing their own stamps so that stamps were not bought at the local post offices. That curtails the revenue which goes to the small post office. When letter stamping machines, or whatever the technical name is, are installed in a plant or a factory or a store or something of that kind, in a small community in a city served by a sub-post office, is the revenue from that

machine credited to the sub-post office or to the central post office in the city?

Mr. BERTRAND (Laurier): It is credited to the central post office. A sub-post office does not handle the mail. When the sub-post office is a small office we pay a minimum.

Mr. MacINNIS: That is quite true, but the postmaster in this post office where I do the little business I have to do told me that within recent times—as the minister knows, in every city there are small business communities which are easily served by a sub-post office—several large buyers of stamps and post office money orders and so forth—my question would apply only to stamps—have put in stamping machines and he was deprived of this business. Consequently his remuneration was much less than it formerly was and otherwise would be if the machines were not installed. I was wondering whether some method could be employed so that in a given area the business that the sub-post office would have received had the machines not been installed could be credited to the sub-post office.

Mr. BERTRAND (Laurier): If the sub-post office handles the mail of the big company which has the meters—we call them meters; they pass their mail through the meters which are checked by the officials—they would get consideration. But usually these letters are not handled by the sub-post offices. The mail goes in the bag and then to the main post office. If they were handled by the sub-postmaster he would have the right to have the revenue from them.

Mr. STOKES: Some time ago the minister said that he was filing answers to questions. Probably the question I am about to ask has already been answered. I am speaking of conditions in the town of Trenton where in 1945 letter delivery in the town was first requested. The revenue was then over $40,000. Trenton is known as a town with the population of a city, over 10,000. There are more residents on the east side of the Trent river than on the west side. They have to walk across a long bridge to get to the post office which is on the west side of the town. What is the situation with regard to the application for letter delivery in the town of Trenton?

I should like to ask the minister a question with regard to the establishing of sub-post offices. During the war a request was made to establish a sub-post office in an area outside the city of Belleville. This area is quite densely populated and known as College Hill. Through that area there is a single rural mail route travelled. These people are quite a distance from the post office and are anxious to know how they can be served with a daily mail service.

Mr. BERTRAND (Laurier): My officers are going to get the answers because figures are involved. I shall give the answer in a little while.

Mr. PICARD: The post office in every rural community is usually considered as the embodiment of the federal government. It is about the only connection these people have with the federal administration. My remarks on this item might very well have been directed to the Minister of Public Works when his estimates were before the committee. Post offices have been, as one hon. member suggested tonight, more or less the neglected children in the last six or eight years. Owing to the war we had to curtail our expenditure in building; in many parts of Canada we have post offices not exactly what they should be, and in many other parts of the country we have a real need for new post office buildings. As I understand it, the Department of Public Works has decided that post offices might be built in cities where the revenue was over $10,000. I believe that this figure might be regarded as more or less an arbitrary one, because we have many progressive little communities where the post office may not have that revenue and where there is real need for buildings for federal services and especially post offices. I am told that whenever the department or the Postmaster General makes such recommendations to the public works department they are given special consideration, but yet we are tied up by the over-all rule. I wish that consideration were given to small centres. I have in my constituency a point where in 1939 the Postmaster General's department recommended the construction of a post office. It was approved by the public works department and the contract signed, but the contractor, for reasons of his own, did not start work right away. The fall came and it was too late for him to start building the post office. Early in 1940, owing to the recommendations of the Minister of Finance, those contracts which had not yet been started, in respect of buildings not yet being erected, had to be stopped. I wish the department would take into consideration as early as possible the advisability of providing more post office buildings in the small progressive centres throughout the country.

Mr. BERTRAND (Laurier): As I said a few minutes ago, we hope to be able next year to build quite a number, and those already started will be given immediate consideration.

As to the question asked about Trenton, that is a great prospective office. The revenue

for 1945-46 was $54,344, and the number of householder points of call, 2,020. According to these figures, the city does qualify for letter carriers. There may be something else, but if the hon. gentleman wishes us to make a thorough examination and give an answer in writing we shall do so.

Mr. STOKES: In prosecuting this matter in 1946, some officials of the department said to me, "Your revenue is up in the required brackets, but remember that Trenton was a war-boom town. Where will you be next year?" I assured them that we were on safe ground, and the figures quoted by the minister bear me out, because it was ten thousand higher than it was in the last year of the war. I thank the minister for the consideration.

Mr. HAZEN: May I ask the minister a question along the lines of some asked by the hon. member for Lake Centre. The question is this: In the case of the establishment of sub-post offices, or a change in or the appointment of a postmaster to a sub-post office, is the veteran always given the preference?

Mr. BERTRAND (Laurier): In a sub-post office, as the hon. member will realize, location is the main thing and we grant sub-post offices mainly on the basis of locations so as to serve the surrounding district. It did happen in Montreal, however, that the man in a sub-post office died and another man bought the trade and wanted to have the sub-post office. Before granting the request, however, we advertised through the Legion to see whether in the surrounding district there were veterans who wished to have it. We are expecting an answer before we grant it. We favour the veterans wherever we can.

Mr. HAZEN: I am glad to hear that. I do not know whether the minister is aware of the conditions in Saint John but I would appreciate it if he would let me know why a veteran named Gray, a young man in the city of Saint John, did not receive the appointment and was not put in charge of a sub-post office, as had been promised.

Mr. BERTRAND (Laurier): When was that?

Mr. HAZEN: Within the last six months.

Mr. BERTRAND (Laurier): I will inquire and write to the hon. gentleman.

Mr. HAZEN: I should like to get an answer.

Mr. SINNOTT: Following up the remarks of the hon. member for Bellechasse regarding some of the smaller centres, I may say that there is a progressive town in my constituency at Pine Falls, where approximately $2 million is to be spent this coming year. The post office which is there now is just an old shack which possibly was built when the town had a population of about two hundred. There is now a population of over two thousand. In view of the fact that this is a progressive little town and that a good deal of money is being spent there, I hope the Postmaster General will take into consideration the building of a new post office there this coming year.

Mr. BERTRAND (Laurier): I will make a note of the hon. gentleman's remarks.

Item agreed to.

265. Air and land mail services, $17,028,943.

Mr. BENTLEY: On the first item tonight I asked the minister whether we would get a delivery service in Swift Current this year. I asked the question then so as to give him an opportunity to cogitate, to think the matter over. I am sure Swift Current has met the required conditions. I asked him to give me some assurance or otherwise—it would not take long—as to whether we shall get that service. I would ask him now to give me an answer, even if it is only a brief yes or no.

Mr. BERTRAND (Laurier): If the hon. gentleman wishes to believe me, I will do the utmost to give him service, and he will probably know very soon, that is, when the supplementaries come down.

(Translation):

Mr. COTE (Matapedia-Matane): Mr. Chairman, as regards the closing of post offices on Sunday, I understand it was ordered following requests made throughout the country, first by those whose duty it is to see that the Lord's Day is observed, and in the second place by postmasters. Despite the requests from those two quarters, which, I understand, have compelled the minister to take such a decision, perhaps irrevocably, notwithstanding a tradition which went back to the time when the department came into being, would it not be possible to leave at least some discretion to those postmasters who wish to keep their offices open at least for one hour on Sunday after mass, for the benefit of people who live far away and who are unable to call for their mail except on Sunday. I believe the department could avoid the expense which such closing entails, through subsequent requests for the establishment of a rural mail service.

Mr. BERTRAND (Laurier): As the hon. member knows, that matter was decided upon when I became Postmaster General. We are often requested to reopen the post offices on Sunday. After considering the matter seriously, we came to the conclusion that in some

localities it would have been preferable to keep the post office open, since there was no rural mail service. We are now reconsidering the matter.

(Text):

Mr. WRIGHT: The minister has been most genial toward hon. members with regard to the consideration of requests for various things. I should like to speak for a group in western Canada who have been trying for many years to have more rural routes established there. In travelling through the three western provinces, one is surprised at the small number of rural routes. I do not believe that over ten to fifteen per cent of our rural population is so served, while in eastern Canada I am sure that ninety per cent of the rural population is served by rural routes. Not only that, but on a number of our western routes, and, I believe, on the majority of them, mail deliveries are made only twice a week. If the minister has the figures, I should like him to give the number of rural routes in Manitoba, Alberta and Saskatchewan, the number of applications which have been made for rural routes in those provinces during the last year and the number that he has been able to grant.

Mr. BERTRAND (Laurier): I must say that we have these figures, but I have not them here. I admit that the western provinces are not served by rural mail delivery as well as some other provinces, and we intend to do something to correct that situation.

Mr. WRIGHT: I hope the minister does. I know, of course, there are greater difficulties out there.

Mr. BERTRAND (Laurier): Expenses are higher.

Mr. WRIGHT: Yes; the distances are greater. But with the better roads out there now, a great many of these routes should be established in the near future. Last year the minister gave a break-down of the cost of mailing parcels to Great Britain and to Europe, as between the amount which the Canadian post office received, the amount which the shipping companies received and the amount which went to the post office in the country of delivery. At that time I was very much surprised to see the proportion of the dollar spent in postage which went to the shipping companies. The minister stated that was because of the high rates which had been placed on shipping during the war, and that new contracts were being negotiated. How far has the minister progressed in negotiating these new contracts? Can he give the committee a break-down of those costs today as compared with a year ago?

Mr. BERTRAND (Laurier): I do not remember that I said the war was responsible for the high price charged by the company.

Mr. WRIGHT: Well, insurance rates.

Mr. BERTRAND (Laurier): It is true that it cost us that. Although the amount paid by the Canadian mailer of a parcel seems to be high, very little stays in Canada. I remember that on a parcel of eleven pounds, for example, there was only thirty-seven cents which stayed in Canada. England was taking around fifty-five or fifty-nine cents for delivering that parcel to a point a short distance away from Liverpool. We were taking thirty-seven cents to take the parcel in Vancouver and bring it to Halifax. Then the company was taking so much, according to the cubic content and the size of the parcel of eleven pounds. On a parcel of twenty pounds it was a little different. It is difficult to ask the English postal authorities to reduce their rates. They reduced them early this year and we have passed that reduction on to the Canadian shipper.

Mr. WRIGHT: I realize that, but it seemed to me that the shipping companies were getting the larger share of the amount payable.

Mr. BERTRAND (Laurier): We have taken that up with the companies and they have refused to make any reduction.

Mr. JACKMAN: Does the department know whether it is making or losing money on postal notes and money orders?

Mr. BERTRAND (Laurier): According to my officials, we are just about breaking even.

Mr. JACKMAN: Some years ago I understood that there was a flat percentage rate on these money orders, and that it was found that for the small amounts people would use the post office, while for the larger amounts, where there was a sliding scale in effect, the people would use private companies such as the express companies, I suppose. As a result, I understand that the post office changed its rate on money orders, so that in place of a flat percentage rate, there was a sliding scale. The buyer paid a lower percentage if he bought a large amount, and therefore the post office competed on a fairer basis with the private companies. May I ask what the result of that was? Did it take place? I am informed by a good source, namely, the previous postmaster general, that it did.

Mr. BERTRAND (Laurier): The acting deputy minister says that he does not remem-

ber that, and he has been here for forty years. Perhaps the hon. member wants to talk about the parcel post as compared with the express post.

Mr. JACKMAN: No. I understand that it is with regard to money orders.

Mr. BERTRAND (Laurier): I have been Postmaster General for only two years. I am told it was never on a percentage basis.

Mr. BENTLEY: I understand that Trans-Canada Air Lines is going to arrange for a stop at the airport at Swift Current. Will that automatically give Swift Current air mail service?

Mr. BERTRAND (Laurier): Yes.

(Translation):

Mr. COTE (Matapedia-Matane): Am I to understand, Mr. Chairman, that the erection of post office buildings in various localities depends on two considerations, which are that the revenue must be above $10,000, and the population must exceed 10,000? This means that the department will not erect post office buildings in rural constituencies where the revenue is less than $10,000, before having provided for such buildings in the larger centres of this country?

Mr. BERTRAND (Laurier): Mr. Chairman, there is no hard and fast rule. However, we have to consider first the larger centres, but we hope to be able to give a chance to various constituencies where the population is not very large.

Mr. COTE (Matapedia-Matane): Will our chance come some time during the present fiscal year, or shall we have to wait till doomsday?

Mr. BERTRAND (Laurier): Next year.

(Text):

Item agreed to.

266. Audit of revenue, money order, postal note and savings bank business; issue of postage stamps and postal notes, $2,197,996.

Mr. BENTLEY: I want to make a recommendation to the minister at this time. It is with reference to a class of post office employees or workers who were mentioned once before tonight, and who have been mentioned, I expect, many times in debate, and who, it seems to me, are out of luck. I refer to those who are paid according to the revenue which the post office takes in; I think they get a percentage of last year's stamp sales, besides what they get this year. In some of these smaller places the postmaster is required to be on the job all day long and is prevented from having any side line; still he is not paid enough to be able to put very much away. Until eleven o'clock last evening we were discussing other ways of taking care of such people, and it was generally admitted that the method being discussed in that debate was not quite enough to bring up the incomes of these people to whatever the maximum may be according to their marital status. So that I believe the postal authorities and the government generally should be giving some consideration to a scheme under which these people will be given a retiring allowance. I know one postmaster who is a little over eighty years of age. He would like to retire, but he cannot very well live on what he would get as an old age pension, certainly not on what it has been up to the present; and in the past his earnings have not been great enough to permit him to save anything for his old age. I wish the minister would give some consideration to this matter.

Mr. BERTRAND (Laurier): I must tell the hon. gentleman that this question is at present being studied in the department.

Mr. BENTLEY: Then try to get that study culminated before this old chap dies, will you?

Item agreed to.

ROYAL CANADIAN MOUNTED POLICE

358. General administration, $273,043.

Mr. DIEFENBAKER: Would the minister tell the committee the number of men who have been recruited for the mounted police during the past year, and what is being done to increase the personnel of this body of police for whom we all have such high regard? I should like the minister also to say something as to the extent to which the department intends to expand the activities of the Royal Canadian Mounted Police, in taking over to a greater extent than has been the case heretofore the police work in towns and villages across this country. Last year, when this matter was before the committee I believe there was a suggestion that the activities of the mounted police would be materially increased and expanded.

I do not want to deal at any length with these matters, but there is one subject upon which I should like to ascertain the attitude of the department. That is the necessity of something being done to accelerate the rate at which promotions are being made. This body of men has performed a remarkable service; we all admit that, without regard to the part of the house in which we sit. They have given that service at very low rates of

pay. One of the main objections I hear raised by young men who go into the mounted police is that promotions are held up too long; that, regardless of their merit and ability, it is unusual for them to advance from the rank of constable to that of corporal until a considerable number of years have elapsed. In the second place, there is a matter which has been brought to the attention of the department previously; that is, that consideration should now be given to reducing the number of years a constable must wait before he may marry. I realize that there seems to be some objection to reducing the present period. It was reduced some years ago, and I think it should be still further reduced. I would appreciate very much, as I know the rank and file of this great force would appreciate it, a further reduction in the period during which a constable may not get married.

I have had some experience of the operations of the Royal Canadian Mounted Police over the years. I am never inclined to indulge in flattery, but Canada can never repay the services rendered by the Royal Canadian Mounted Police during the days of war, in preventing unrest in this country. Canada owes a great debt of gratitude to the force also for what it is doing today in checking disruptive influences which would undermine our system of government. I think it is only fair for me to say, too, that the commisisoner of the Royal Canadian Mounted Police and his senior officers have earned for themselves the appreciation of the Canadian people as a whole; and as a member of the opposition in this house I want to say that no words of commendation can exaggerate the fine way in which the commissioner, the assistant commissioner, the officers and men of this force have discharged their responsibilities.

Some hon. MEMBERS: Hear, hear.

Right Hon. J. L. ILSLEY (Minister of Justice): As the minister to whom the Royal Canadian Mounted Police is now responsible, I cannot but appreciate the remarks of the hon. gentleman who has just resumed his seat; and the applause with which they were received indicates that he was merely expressing the sentiments of the committee.

I should like to answer some of the specific questions asked by the hon. gentleman, because it seems to me that the answers are absolutely conclusive. His first objection or complaint was that promotions were held up for too long. The proportion of non-commissioned officers to constables is higher than it has ever been before in the history of the force; there is one non-commissioned officer to every constable. In the administration of a force, one cannot simply go on promoting for the sake of meeting the personal requirements of the constables, if you overload the force completely with those who are not constables. That is the reason promotions cannot be made faster than they are being made at the present time.

Mr. DIEFENBAKER: Could that be covered by adding to the amount paid after a certain period of time and making the increment equivalent to that in non-commissioned ranks?

Mr. ILSLEY: The question of pay is another thing. The pay of the force must be kept in line, or should be kept in line with what is fair for police forces in the country. I think that is the only responsible way to look at the matter. When my hon. friend talks about the pay of the Royal Canadian Mounted Police being low he should take into consideration the other privileges which members of that force have in addition to pay, including such matters as pension privileges, and the like. One cannot simply segregate the per diem wages or remuneration of the members of a force, unless he also takes into account the other numerous and valuable privileges the members of that force have.

Mr. JACKMAN: Are there first and second-class constables?

Mr. ILSLEY: Yes, there are first, second and third-class constables.

Mr. JACKMAN: With varying pay rates?

Mr. ILSLEY: Yes, with varying pay rates. And there are corporals, sergeants and staff sergeants. Without having studied the matter, I should think that to put the pay purely on a basis of time served, instead of upon rank attained, would be a bad organization of a force. I do not believe it would be done; and I am speaking without having considered the question from all angles. But it would seem to me that, in business or in any other organization, the mere putting in of a certain number of months or years should not be the only requirement for a raise in pay. The important thing is that the pay should be adjusted to the rank.

Then the hon. member raised the point about the marriage regulations. This afternoon the commissioner told me that eighty-three per cent of the Royal Canadian Mounted Police are married. I ask him what he considered would be a reasonable proportion of a police force to be married. Hon. members must bear in mind that it would be out of the question to have a police force were too many were married, because the obstacles in

connection with mobility which arise from a state of affairs like that are most serious. At the present time there is difficulty in getting thirty-four men for the northern service because of the unwillingness of the married men to go on missions of that kind. There are the further difficulties of moving their families and taking children out of school. There ought to be a substantial proportion of the force who are single. The commissioner told me today that perhaps a proportion of thirty per cent single men would be a reasonable one. Many police forces have a much higher proportion than that. However, in this force only seventeen per cent are single. Therefore there must be these marriage regulations. That is the reason for them.

In organizing and administering a force of this kind, one can be ever so sympathetic to the personal requirements or desires of the members of the force, but there are overriding considerations in the public interest which have to be served.

Mr. McKAY: What are the rates of pay of the various classes of constables, non-commissioned officers and officers of the Royal Canadian Mounted Police?

Mr. ILSLEY: The pay of first-class constables is $3.25 a day to $3.50 a day, or per annum it is $1,186.25 to $1,277.50. The pay of second-class constables is $3 a day, or $1,095 per annum, and of third-class constables it is $2.75 a day, or $1,003.75 per annum. In addition to that, there are allowances. Officers living out of quarters may be granted a general living allowance not exceeding $4 a day, or $1,460 a year. Non-commissioned officers and constables living out of quarters may be granted a general living allowance at the following rates: married, $2.25 a day or $821.25 per annum; single, $1.50 a day, or $547.50 per annum.

Mr. MacINNIS: I should like to say a word on the point raised by the hon. member for Lake Centre. I believe that some day we shall have to face the issue in an all-embracing way. We have to concede today that it is not the individual or the ability that receives the high salary. It is the position. Having made the position, we apply the salary to it. Then, if a promotion is made the individual gets the salary.

Let us take the cases of constables A and B who joined the Royal Canadian Mounted Police. We will assume they both have similar qualifications and similar devotion to duty. They have served their apprenticeship, or whatever the term is, in the first, second and third classes. Then a promotion is to be made. Constable A is chosen for the position, and receives the salary and other advantages going with it. Constable B has to remain in the force, unless he wishes to get out, although he has the same qualifications and the same devotion to duty as constable A has.

When the question of pension comes up, the pensions are usually based on the salary received. So that any justice or fairness is purely arbitrary.

Mr. ILSLEY: I am afraid I do not understand the hon. member.

Mr. MacINNIS: Perhaps not.

Mr. ILSLEY: He is taking a hypothetical case of two men of exactly equal ability and devotion to duty.

Mr. MacINNIS: Yes.

Mr. ILSLEY: There is only one position open. One is taken and the other is not.

Mr. MacINNIS: Yes.

Mr. ILSLEY: Are there ever two men of exactly equal ability and devotion to duty? In an examination, is it not always the case of someone exercising his discretion to select the better of two men to discharge the position?

Mr. MacINNIS: Even if there is an examination, I do not believe an examination can ever give a true indication of an individual's ability.

Mr. ILSLEY: Possibly the judgment of his superior can.

Mr. MacINNIS: Even the judgment of his superiors may be wrong, and the man with lesser ability may be appointed. It is the same way with the selection of judges. So many factors enter into the selection, intangibles that depend upon the likes and dislikes of those making the appointment. I am not finding fault with the minister or his department. I am merely showing that our arrangements in the matter are purely arbitrary and, in their operation, quite discriminatory. They do not do fairness as between individuals or groups. I am satisfied that if we are to have a well ordered society we shall have to find some way by which we can put people on a more equal basis than is achieved by these arbitrary decisions.

Mr. ILSLEY: I usually agree with my hon. friend in most of the things he says in this house, but I do not think he has made a case against anything but human nature in his argument tonight.

Mr. MacINNIS: Far be it from me to try to make a case against human nature. But human nature is not a static thing. Human

nature reacts according to its environment. In one environment the same individual reacts one way, and in another environment he reacts another way. I am not finding fault with the minister. I am merely trying to show the flaws in our ways of doing things. A place of rank and position carries with it implications that give the children and grandchildren of the individual occupying that position certain advantages which other people have not, regardless of their ability or their service to the community. When the minister gets more time to think over what I have said I am sure he will agree with me.

Mr. PEARKES: Might I suggest that there is no service in which luck plays a greater part than it does in the Royal Canadian Mounted Police. For instance, two constables go out to two different detachments. A crime is committed in one of these detachments and no crime is committed in the other. The constable who has had several crimes committed in his detachment is, of course, brought to the notice of his superior officers, whereas the other poor man merely puts in his weekly and monthly reports. While he does his work conscientiously, he does not enjoy the same opportunities which the constable had whose good fortune it was to be in a detachment where a certain amount of crime was committed.

Might I ask how many constables and non-commissioned officers have been promoted to commissioned rank during the past year?

Mr. ILSLEY: Nine non-commissioned officers have been promoted to be commissioned officers during the past year.

Mr. McKAY: What are the qualifications for entering the force? Are they higher or lower than pre-war? I have a particular reason for asking, because I have been led to believe that the qualifications have been lowered. That may not be true. Have the qualifications been lowered physically or from the point of view of scholastic attainments?

Mr. ILSLEY: They are the same now as before the war.

Mr. McKAY: They have never been changed.

Mr. ILSLEY: No, but there was a period when they were lowered.

Mr. McKAY: But not now?

Mr. ILSLEY: No.

Mr. MACDONNELL (Muskoka-Ontario): I cannot refrain from rising to make one comment on the remarks of the hon. member for Vancouver East. Like the minister, I find myself in agreement with the hon. member often, sometimes more often than I should like to admit. But tonight I suggest that the minister has given a complete answer by saying that what the hon. member is complaining against is human nature. At the end of his speech I could not see that we got anywhere except that either we should promote nobody or we should promote everybody.

Mr. BENTLEY: I think the statement of the hon. member for Muskoka-Ontario leaves a little to be desired. I can see the minister's point of view and the difficulties that his officials would have in trying to administer things to suit all human beings in the force or out of it. But I believe one thing that can be given consideration is this. After all, the elements of luck and ability have entered into the active service of the constable. When the time for his retirement or superannuation comes, one thing about human nature that is pretty generally true of all people is that they all need the same to live on. Suppose a man has served well and honourably as a constable and perhaps, through that element of luck which the hon. member for Nanaimo mentioned, has gained a substantial promotion because he was fortunate enough to be in a detachment where crime was committed, and that another man has given good service, done a good job but did not have that chance of promotion. Nevertheless, when the latter retires he needs just as much to live on as the other fellow that got promoted. So why should their superannuation not be equalized upon their retirement from the force?

Mr. ILSLEY: Upwards, I suppose?

Mr. BENTLEY: If one man requires $500 or $200 or $100 a month to live on when he retires, so does the other man. Equalizes it upwards or downwards whichever you like.

Mr. ILSLEY: Would the hon. gentleman apply that principle to the superannuation of the civil service?

Mr. BENTLEY: I would apply it to every single individual in Canada.

Mr. ILSLEY: The hon. gentleman would equalize all pensions?

Mr. BENTLEY: Yes.

Mr. ILSLEY: And equalize all incomes, too?

Mr. BENTLEY: Not necessarily, because when people are drawing an income they are earning. When they retire they get a retire-

ment allowance and are not earning any more. But they need the same amount of money to live on.

Mr. ILSLEY: Do they not require the same amount of income to live on before they retire?

Mr. BENTLEY: Certainly they do, but I do not think the minister would consider that. My statement can stand. I will not argue further with the minister.

Mr. JACKMAN: I should like to remind the hon. member for Vancouver East that human nature as he suggests does change, and there is a modern school of psychology, of which I am not a strong supporter, which teaches that people should work for the glory of the work itself and not for the reward that is in it.

I wish to ask the minister about a matter which grieved me very much one year when the estimates of the department were before us. It had to do with men in the Royal Canadian Mounted Police who resigned from the force in order to join His Majesty's forces and take up arms overseas. When they were demobilized some of them were taken back on the strength of the force, and they found that this marriage bar of five years had to be served anew, or perhaps the time they had served with the force before going on active service overseas was taken into account too. In any event, the time during which they served in the armed services did not count in the five years. What I should like to ask is: How many men who were in the R.C.M.P. before the war resigned, and after active service are again members of the R.C.M.P. and are single? The minister knows what I am getting at. If there is an easier way to answer it, it will suit me just as well.

Mr. ILSLEY: Ninety-eight have come back to the force. I have not the figures as to whether they are single or how many are single.

Mr. JACKMAN: We have a different minister in charge of this department now, and I wonder whether he would give consideration to the fact that the discipline of the force in the eyes of the chief of it required that men stay in the R.C.M.P. rather than resign, as I understood it, to enlist in the active service. It was what I would term iron discipline. It may have been necessary; but it seems to me that if discipline as strong as that is to be exercised, then one does not deserve very much credit for the result. Will the minister give consideration to the fact that men did not get permission to have leave of absence to go on active service, resigned to enter the armed services and have come back? Will he give consideration to their being permitted to count the time when they were on active service as part of their five-year marriage limitation?

Mr. ILSLEY: I will discuss that matter with the commissioner.

Mr. McKAY: Will the minister give the present strength of the force, its distribution, and whether or not the present strength is greater now than it was in 1946?

Mr. ILSLEY: The present uniformed strength of the force is 2,490. The second question was whether it had increased during the past year and by how much?

Mr. McKAY: Or decreased?

Mr. ILSLEY: There has been an increase of roughly 500 during the past year.

Mr. BOUCHER: On this item I should like to say a few words. I do not see any other item more appropriate than this one on which to make these remarks. I think I should say a few words of commendation on a certain activity which the mounted police are giving to my personal knowledge. I refer to the courses they are giving by having a constable and various officers speak to the youth of our community, explaining to them the relationship of the police to the public at large. During the last year or so, and particularly during the celebration of the citizenship presentation and explanation, I have had the experience of having a member of the mounted police talk to the youth in the various schools and explain to them the relationship of the police to public maintenance of justice and order and in that way gain the confidence of the youth in the mounted police. It is my frank opinion that one of the greatest things to foster a proper understanding of the administration of justice and confidence in the law of the land is a thorough understanding by our youth of the role of the police in the community, and to understand that the policeman is the protector and the friend of their rights.

On several occasions I have listened to a lecture given by one of the mounted police, and I refer to him particularly, although I believe others deserve commendation as well. I refer to Corporal Ade of this community, who has gone from place to place explaining to the youth the role of the police in the community. I believe that the educational work of the R.C.M.P., who are held in great esteem by the youth of our country, is of the highest order. Having been interested in that

work, I took the liberty of asking the mounted police to give me particulars of their programme in that regard and was very glad to receive it. I studied it thoroughly. I say to the Minister of Justice that this work can be carried on extensively to the benefit of our community, and it is one of the best ways of maintaining a law-abiding state and having our youth understand that the policeman is a friend and not an enemy; that justice is something to be sought for, not something to be despised. I say to the commissioner and to the Minister of Justice the people of Canada owe a debt of gratitude to the R.C.M.P. for their action in that regard. I would ask the minister to lend all the encouragement that he can to that particular work.

Mr. MacINNIS: A member of this group would like to say something on this item. I would ask the minister if he will allow it to stand, although I will not press the request.

Mr. ILSLEY: All right.

Item stands.

Progress reported.

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

Monday, June 30, 1947

The house met at two o'clock.

UNITED NATIONS

RELIEF AND REHABILITATION—APPRECIATION OF CANADA'S SUPPORT

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I received today a communication from the director general of the United Nations Relief and Rehabilitation Administration, Washington. The communication is dated June 30, and has relation to Canada's part in supporting the work of UNRRA. It is a communication the contents of which I think hon. members would wish to be informed and I believe they would also wish to have the communication itself of record in the proceedings of parliament. I shall therefore read the communication:

United Nations
Relief and Rehabilitation Administration
1344 Connecticut Avenue
Washington 25, D.C.
30 June 1947

My dear Prime Minister:

Today marks the substantial end of UNRRA's operations in Europe. In a public statement I have described the results achieved by this international organization and have referred to the problems which must be solved if world economic recovery is to be achieved.

I should like to take this opportunity of expressing to the government and the people of Canada the great appreciation of UNRRA for the wonderful support which we have received from the moment this organization was established. The speed with which Canadian funds and supplies have been provided to UNRRA has been an inspiration to us all, and an example to all the united nations of the manner in which true international cooperation should be made effective. We desire to pay tribute in particular to the wonderful food production of your country, and to emphasize the vital importance of that food preserving the lives of millions of people throughout the world in the last two years.

UNRRA has done its best to carry out the instructions of the united nations in commencing the work of economic recovery in large parts of the world. UNRRA trusts that this work will be carried on quickly and effectively, realizing that one of the essentials of peace in the world is that reasonable economic conditions shall exist in all countries.

Sincerely yours,
Lowell W. Rooks,
Director General.

The Right Honourable
W. L. Mackenzie King,
Prime Minister of Canada,
Ottawa.

Prior to receipt of this letter I had seen a copy of a communication which had been sent by Mr. Rooks to Mr. Pearson, the Under-Secretary of State for External Affairs. This communication goes a little more into detail as to the organizations which asisted the government in supporting UNRRA in its work of relief and rehabilitation. This communication might well be added to the other, and with the permission of the house I shall read it:

United Nations
Relief and Rehabilitation Administration
1344 Connecticut Avenue
Washington 25, D.C.
25 June, 1947

My dear Mr. Pearson:

On the occasion of the imminent completion of the European operations of UNRRA, which will be marked by the closure of the UNRRA missions in Europe on 30 June, I enclose a letter which I should be grateful if you would deliver to the Prime Minister on that day. However, I should feel remiss in my expression of gratitude if it did not include special reference to those agencies of the government of Canada which have been actively responsible for translating the dollar contribution of Canada into supplies and services.

From the earliest days of UNRRA, when simple and effective means of procurement were contrived through the Mutual Aid Board, to the continued operation of its successor, the Canadian Commercial Corporation, the relations of this administration with Canadian procurement and shipping agencies have been cordial, direct and productive.

Special mention must also be made of the fine cooperation of the Canadian meat board, the Canadian wheat board, and the grain branch of the Canadian Department of Trade and Commerce, which together with the various other specialized procurement agencies of the Canadian government have participated in the accomplishment of the greatest peacetime enterprise of procurement and movement of goods in history.

An extraordinary contribution has also been made to our operations through the vigorous cooperation of the transport controller and the Canadian shipping board who have made possible the delivery of indispensable supplies to the needy countries of Europe in the face of shipping shortages and a variety of other difficulties, and achieved an unprecedented record of peacetime ocean shipping.

We are also deeply appreciative of the services of the Canadian army in the transfer of surplus vehicles to the shattered countries of Europe at the time of their most urgent need following the cessation of hostilities.

Without the full cooperation of these agencies and their affiliates, the work of this administration would have been impossible. It will, therefore, be appreciated if you will convey to all those agencies mentioned and, through them, to the entire catalogue of associated government agencies, the sincere gratitude of this administration and of the millions of persons who have benefited from their work.

I should also like to take this opportunity of thanking you personally for the exceptional contribution you made to the work of UNRRA. We have always regarded you as one of the foundation members, and your advice and assistance through the most critical days of UNRRA were of exceptional value to the organization. We shall remain always in your debt.

Sincerely yours,
Lowell W. Rooks,
Director General.

When I spoke of reading this letter to the house, Mr. Pearson, with his customary modesty, remarked that he thought I should omit the last paragraph. I should like to say that I think all hon. members appreciate the great service which the Under-Secretary of State for External Affairs has rendered in carrying forward this all important work and will be glad to have of record Mr. Rooks' appreciation of Mr. Pearson's services.

In his expression of appreciation, General Rooks has given us the assurance that, in contributing to UNRRA, Canada has been able to meet a real and urgent need. I hope that we shall always have the means to respond with similar generosity in the presence of distress and want in other parts of the world.

I should like in this connection to remind hon. members of the statement I made in the house on Tuesday last, June 24, when I informed the house that the government has decided to recommend to parliament an appropriation of $20 million for post-UNRRA relief needs in 1947. This is continued evidence of our belief that the Canadian people, conscious of the great devastation which the war has brought about, are prepared to play their full part in the necessary work of rehabilitation.

I need not remind hon. members that when I made the announcement to which I have referred, it was received heartily by both sides of the house and by members of all parties.

NATIONAL HOUSING ACT

LOANS TO ASSIST IN CONSTRUCTION OF HOUSES ON FARMS

Mr. G. J. McILRAITH (Parliamentary Assistant to the Minister of Reconstruction and Supply): Mr. Speaker, I wish to table order in council P.C. 2474, dated June 24, 1947, proclaiming section 14 of the National Housing Act. With the permission of the house I should like to make a brief statement by way of explanation. Section 14 of the National Housing Act provides for loans to assist in the construction of houses on farms.

When speaking in the house on July 29 last on the amendments to the National Housing Act, the Minister of Reconstruction and Supply stated that the farm-lending section of the act would be brought into force by proclamation. He explained that much preparatory work had to be done in developing a suitable procedure for making farm loans. Negotiations had to be conducted with the lending institutions. Mortgage forms had to be prepared for each province. In their preparation it was intended that new ground would be broken in respect of grain-growing farms in the prairie provinces. The old form of mortgage with the crop share lease did not meet the circumstances of farmers in the grain-growing areas. A new method of mortgage repayment was required which would provide an adequate escape clause for distress years and payments in good crop years which increase in direct proportion to the yield and value of the crop.

Before the new form of mortgage could be applied, certain adjustments in provincial legislation in each of the prairie provinces were considered necessary. Accordingly, discussions were held early in the year with the governments of Manitoba, Saskatchewan and Alberta, when the proposed mortgage form and repayment formula were reviewed. Subsequent to these meetings, written submissions were made to each province detailing what legislative changes were required.

The necessary amending legislation was not passed by any of the prairie legislatures at this year's sessions. There was, however, a good

deal of interest shown in the proposals, and negotiations are being continued with the governments concerned.

In the meantime, however, the facilities of section 14 will be available to farmers in six of the provinces. So far as the prairie provinces are concerned, it is not intended that loans will be made on grain-growing farms until satisfactory arrangements have been completed for using a flexible payment mortgage. The ordinary payment mortgage on this type of farm does not meet the circumstances of farmers whose incomes fluctuate widely from year to year, owing to variations in grain yields and value. Applications, however, will be considered from farmers in Manitoba and Alberta who do not operate farms which are primarily grain growing in character, and where Central Mortgage and Housing Corporation considers the orthodox money payment mortgage to be satisfactory. The facilities of the act will not be extended to any kind of farm in Saskatchewan until more general farm debt legislation problems are clarified.

An explanatory booklet entitled "Farm Housing Loans" is being prepared by Central Mortgage and Housing Corporation. This will be sent to farmers in reply to inquiries about the facilities of the National Housing Act. The booklet explains the provisions of section 14 and outlines the procedure by which farmers make application for loans. Farmers are asked to direct inquiries to the nearest regional or branch office of Central Mortgage and Housing Corporation.

PRIVATE BILL

LIMITHOLDERS' MUTUAL INSURANCE COMPANY

Mr. JEAN LESAGE (Montmagny-L'Islet) moved the first reading of Bill No. 378 (from the senate) to incorporate the Limitholders' Mutual Insurance Company.

Motion agreed to, bill read the first and second times and referred to the standing committee on banking and commerce.

FIRST READINGS—SENATE BILLS

Bill No. 379, for the relief of Evelyn Clara Woods Cross.—Mr. Maybank.

Bill No. 380, for the relief of Minnie Braimaster Kazarensky.—Mr. Maybank.

Bill No. 381, for the relief of Peter Moroz, otherwise known as Peter Morris.—Mr. Maybank.

Bill No. 382, for the relief of Lorne Earl Barth.—Mr. Casselman.

Bill No. 383, for the relief of Thomas Wynn Hayes, junior.—Mr. Maybank.

Bill No. 384, for the relief of Clare Black Wolfe.—Mr. Maybank.

Bill No. 385, for the relief of Anna Lovannah Theoret Wilson.—Mr. Maybank.

Bill No. 386, for the relief of Norma Lorraine Desrosiers.—Mr. Maybank.

Bill No. 387, for the relief of Rose Jacobson Greenberg.—Mr. Maybank.

Bill No. 388, for the relief of Guido Corbo. —Mr. Maybank.

Bill No. 389, for the relief of Harold Ashton Hugh Roberts.—Mr. Maybank.

Bill No. 390, for the relief of Mary Kalichman Pulver.—Mr. Maybank.

Bill No. 391, for the relief of Gaston Dorval Lachance.—Mr. Maybank.

Bill No. 392, for the relief of Donat St. Jean. —Mr. Maybank.

Bill No. 393, for the relief of Sheila Sydney Donor Gordon.—Mr. Maybank.

Bill No. 394, for the relief of Thomas Walter John Moon.—Mr. Maybank.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

INCOME TAX—SUPERANNUATION

Mr. IRVINE:

1. Are retired bankers, who paid income taxes to the government on their total salaries from 1924 to 1946 and possibly from 1918 to 1924, exempt from paying income taxes today on that portion contributed by them for superannuation during this period?

2. If so, for what reason?

Mr. McCANN:

1. Yes, but only on such portion of their pension as is attributable to contributions made by them during the years 1928 to 1945 inclusive.

2. Subsection 1 (h) of section 5 of the Income War Tax Act as enacted by 18-19 George V, chapter 12 (1928) provided that where the trustees or administrators of any employees' superannuation or pension fund elected thereunder to have the investment income of such fund exempt from taxation, the employees' contributions thereto would not be allowed as a deduction in determining their taxable income. Moreover, in such event, the pension ultimately payable to the employee was made exempt from tax only to such proportion of the total amount paid by him into the fund as was so paid after the effective date of the said election.

The trustees of all bank pension funds elected to have the investment income thereof exempt from tax and as a result all bank pensions now being paid are tax free to the extent provided by such formula.

This formula is, of course, also applicable to all other pensions paid from funds in respect of which the trustees similarly elected.

Subsection 1 (h) of section 5 as above referred to was repealed effective from January 1, 1946, but the proportional exemption in respect of employees' contributions from 1928 to 1945 inclusive was maintained under the subsection as reenacted by 10 George VI, chapter 55 (1946) and now in force.

IMMIGRATION

Mr. McCUAIG:

1. How many persons have immigrated into Canada in each of the years since 1930?
2. How many persons have emigrated from Canada in each corresponding year since 1930?

Mr. McILRAITH:

1. Fiscal year ended—

March 31, 1931	88,223
March 31, 1932	25,752
March 31, 1933	19,782
March 31, 1934	13,903
March 31, 1935	12,136
March 31, 1936	11,103
March 31, 1937	12,023
March 31, 1938	15,645
March 31, 1939	17,128
March 31, 1940	16,205
March 31, 1941	11,496
March 31, 1942	8,865
March 31, 1943	7,445
March 31, 1944	9,040
March 31, 1945	15,306
March 31, 1946	31,081
March 31, 1947	66,990

2. No record is kept of persons leaving Canada.

INDIANS AND ESKIMOS—HOSPITALIZATION

Mr. CHURCH:

1. What steps have been taken by the government to make grants, this year, to hospitals in the Hudson and James bay and Moosonee districts which care for Indians and Eskimos?
2. What other institutions, if any, in these areas receive grants?
3. How much was voted and spent in Canada for this purpose in the last fiscal year?

Mr. MARTIN:

1. None. The hospitalization of Indians and Eskimos in the districts mentioned is paid for on a per diem basis.

2. None.

3. Voted, $204,320; spent, $3,304.40. $200,000 of the amount voted was to be a grant to the Fort William Sanatorium board toward the capital cost of building an extension which would provide additional beds for tuberculous Indians. As building conditions prevented this work being started the grant was not actually made during the fiscal year.

[Mr. McCann.]

INDIANS AND ESKIMOS—CITIZENSHIP STATUS

Mr. CHURCH:

What action has been taken by the government to grant citizenship status to Canadian Indians and Eskimos?

Mr. McILRAITH: A similar question was asked on April 18, 1947, and a reply was given on April 24—see *House of Commons Debates*, page 2357.

VETERANS TAXI OWNERS ASSOCIATION

Mr. CASTLEDEN:

1. Did a Mr. Levesque, while employed as an official of D.V.A. accept a position as an official of the veterans taxi owners' association in Montreal?
2. If so, what position did he hold?
3. At what date did he accept this position?
4. Did members of the veterans taxi owners' association apply to the Department of Veterans Affairs for protection?
5. What steps have been taken to protect the interests of veterans in Montreal who joined the veterans taxi owners' association?

Mr. TUCKER:

1. 2 and 3. Mr. Levesque was employed in the Department of Veterans Affairs from June 28, 1945, until March 31, 1947. The department has no authentic record of his acceptance of any position as an official of the veterans taxi owners' association in Montreal but it has been stated by deputations who have interviewed officers of the department that Mr. Levesque has acted and still continues to act as chairman or president of the association.

4 and 5. The department has no legal right or authority to accede to the request of deputations claiming to represent a group of members of the association that the department intervene in the association's affairs and the department advised a deputation to consult one of the lawyers, members of the Montreal Bar Association, who had expressed their willingness to help veterans on legal matters. The department, feeling concern lest the dispute prejudice the chances of success of an enterprise which was affording a substantial number of veterans a means of reestablishing themselves in civil life, endeavoured unsuccessfully to bring about an understanding between the contending factions.

QUESTIONS PASSED AS ORDERS FOR RETURNS

UNITED SHIPYARDS

Mr. McGREGOR:

1. Did the government assist in the completion of the yards for United Shipyards?
2. If so, what was the extent of their assistance?
3. How many ten thousand-ton freighters were built in United Shipyards?

4. What was the total cost of each freighter?

5. Was any other cost incurred in the construction of these freighters? If so, what costs were incurred, and to whom were the expenditures made?

Mr. McILRAITH: Return tabled.

NATIONAL FILM BOARD—PROJECTORS AND PROJECTOR OPERATORS

Mr. LENNARD:

1. How many projectors are on loan from the National Film Board of Canada (a) in Ontario; (b) in the city of Hamilton, and Wentworth county?

2. What regulations govern the loan of these projectors?

3. How many regional projector operators are in the employ of the national film board?

4. What salaries do they receive?

IMPORTS OF MOVING PICTURE PROJECTORS

Mr. McCULLOUGH (Assiniboia):

1. How many 16 mm. projectors have been imported into Canada for each of the years 1939 to 1946 inclusive?

2. What is the import duty on component parts for 16 mm. projectors?

3. What are the orders in council and/or tariff regulations covering importation and sale of mm. projectors in Canada?

MOTIONS FOR PAPERS

AGREEMENT BETWEEN FEDERAL DISTRICT COMMISSION AND OTTAWA ELECTRIC RAILWAY

Mr. FULTON:

For a copy of the agreement made between the federal district commission and the Ottawa Electric Railway Company in 1929, dealing with the exclusive right to operate motor buses and similar motor vehicles, including sightseeing buses for hire on the driveways of the commission;

Also for a copy of by-law No. 16 of the said commission passed in 1929 concerning the granting of exclusive rights for the operation of motor vehicles for hire;

Also for a copy of any or all orders in council validating or confirming the said agreement and by-law.

PRAIRIE FARM REHABILITATION—RED DEER DIVISION DIVERSION PROJECT

Mr. QUELCH:

For a copy of the P.F.R.A. report on the Red Deer diversion project with estimate of cost.

Mr. GARDINER: The only report which is available at the moment is one which is perhaps two or three years old. The report which has been recently prepared has been submitted to the consulting engineer at Washington and as far I know has not yet come back. It could not be made available at the present time.

Mr. QUELCH: That last report is the one to which I have reference. Can the minister not table a copy of it?

Mr. GARDINER: When it is prepared; I presume it will be tabled in the house when it is ready.

Motion dropped.

TREATIES OF PEACE

ITALY, ROUMANIA, HUNGARY AND FINLAND—APPROVAL OF TREATIES SIGNED AT PARIS, FEBRUARY 10, 1947

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That it is expedient that the houses of parliament do approve the treaties of peace with Italy, Roumania, Hungary and Finland, signed at Paris on the 10th February, 1947, and that this house do approve the same.

He said: Mr. Speaker, hon. members will recall that a conference for the conclusion of peace treaties with Italy, Roumania, Bulgaria, Hungary and Finland was held in Paris from July 29 to October 15, 1946. The delegates from Canada were my hon. colleague, the present Minister of National Defence (Mr. Claxton) and myself. As Prime Minister and, at the time, Secretary of State for External Affairs, I was chairman of the Canadian delegation. As I was not able to be in Paris throughout the entire meeting of the conference, my colleague later on became chairman of the Canadian delegation. The alternates were: N. A. Robertson, then Under-Secretary of State for External Affairs; A. D. P. Heeney, Clerk of the Privy Council; Major General G. P. Vanier, D.S.O., M.C., Canadian Ambassador to France; L. D. Wilgress, then Canadian Ambassador to the U.S.S.R.; Lieutenant General Maurice Pope, C.B., M.C., head of the Canadian military mission to the allied control commission, Germany. The advisers were C. S. A. Ritchie and J. A. Chapdelaine, of the Department of External Affairs, and J. A. Gibson, of the Prime Minister's office. Mr. S. F. Rae acted as secretary of the delegation.

On February 10 last the Canadian Ambassador to France, Major General Vanier, on behalf of the Canadian government, signed, in Paris, peace treaties with Italy, Roumania, Hungary and Finland. On the same day the Secretary of State for External Affairs made a statement on the work of the Paris conference, and tabled the texts of the treaties in this house. The statement was supplemented by a report on the proceedings of the conference, prepared by the Minister of National Defence. The report was printed as an annex

to the *Votes and Proceedings* of that date. Copies of the peace treaties were subsequently distributed to all members of parliament.

The main purpose of these treaties is to bring to an end formally the state of war existing between Italy, Roumania, Hungary and Finland on the one hand, and the allied and associated powers on the other. The settlements will dispose of many important issues of a political, economic or military character outstanding between the governments of these enemy states and the allies as a result of the war. The formal termination of the state of war which exists between ourselves and the enemy countries is a necessary step in the reestablishment of a peaceful world.

Canada, one of the twenty-one nations invited to participate in the Paris conference, was given an opportunity to examine and comment on the draft treaties as prepared in the council of foreign ministers. The Canadian delegation played a part in drawing up the conference recommendations which were used to a considerable extent by the council of foreign ministers in preparing the treaties in final form. While an earlier and more effective association of Canada and certain other allies might have resulted in an improvement of these settlements, it is probably fair to say that in the circumstances the treaties represent the best resolution possible of the conflicting interests amongst the major allies.

The entry into force of these treaties is a necessary first stage in the reconstruction of the economic life of Europe. In many cases the restrictions operative in the enemy states under the armistice terms make long-range planning by the governments of these countries difficult. Until the peace treaties are implemented the uncertainties inherent in the armistice regimes will continue.

One of the results of the entry into effect of the treaties will be the withdrawal of occupation forces from the ex-enemy satellite states, subject to the right of the Soviet union to keep sufficient forces in Roumania and Hungary to maintain lines of communication with its occupation zone in Austria.

It is provided in the preambles to these treaties that their conclusion will enable the allied and associated powers to support the application of each of the enemy states concerned for membership in the united nations. If these states eventually become members of the united nations they will be able to participate in common action on international problems through the united nations. Eventual applications for membership from these states will, of course, be judged by the Canadian government on their merits and in the light of existing circumstances.

Because of the advantages which would derive from a termination of the state of war with these states, it appears desirable that parliamentary approval should be given to the treaties at this time.

The approval by the two houses of parliament of the treaties does not imply their immediate ratification by Canada. To this end, two steps must thereafter be taken. First, a submission must be made with the approval of the governor in council to the king, asking for the execution by his majesty of instruments of ratification. Second, the instruments of ratification signed by the king must be deposited as provided for in the treaties.

The final articles of each of the treaties provide that the entry into force of the treaties will depend in the first instance upon the deposit of instruments of ratification by certain of the great powers which are members of the council of foreign ministers. In the case of Italy, these are the Union of Soviet Socialist Republics, the United Kingdom, the United States of America, and France. In the case of Hungary and Roumania the deposit of instruments of ratification by the Soviet union, the United Kingdom, and the United States of America is required. The treaty of peace with Finland will come into force when the Soviet union and United Kingdom have deposited their instruments of ratification. The treaties of peace will not, however, enter into force as far as Canada and the other allied or associated powers are concerned until their separate instruments of ratification have been deposited.

Although the governments of the United Kingdom, the United States of America and France have now obtained approval, through their respective legislative processes, for the ratification of the various treaties, none of the great powers has as yet taken the final step of depositing its instruments of ratification.

Hon. members will have seen that on June 5 the United States senate approved the Italian treaty by a vote of 79 to 10, and the treaties with Roumania, Bulgaria and Hungary by an unrecorded voice vote.

The texts of the peace treaties make it clear that Canada could not terminate the state of war existing between this country and the respective enemy states by depositing the Canadian instruments of ratification prior to the treaties having been brought into force by the responsible great powers.

Accordingly, while the government is seeking parliamentary approval for the treaties at this time, it is not anticipated that Canada's instruments of ratification will be deposited until the great powers, whose ratification is necessary before the treaties can come into effect, have deposited their instruments of ratification.

Mr. GORDON GRAYDON (Peel): Mr. Speaker, in rising to make a few observations with regard to the four treaties of peace now before us for approval, first I desire to say to you and to the house that these matters do throw into relief the whole question of our foreign relations as they may affect the continent of Europe and the peace of the world in general. Since the signing of these four treaties of peace on February 10, 1947—and perhaps this might be said with even greater force of the fact that the conference and the discussions generally commenced almost a year ago—much water has gone under the international bridge; and perhaps a brief review of the situation would not be out of place to indicate our present position in relation to the treaties themselves.

While the question of the making of treaties of peace is of great importance as between vanquished and victor, I think it can be said properly and with emphasis that the problem which faced the nations of the world at the Paris conference was not just that of finding some method of reaching agreement between victor and vanquished but rather one of reaching agreement between victor and victor. These considerations bring out more prominently the problem of the competing ideologies which are so prevalent today, and which have focused world attention upon Europe, and particularly upon central and southeastern Europe. Since the meeting of the council of foreign ministers which preceded the Paris conference, and since that conference itself, while the picture perhaps has not changed so much, the developments arising out of the situation there have moved into clearer perspective so far as we in Canada are concerned. I do not think there is much use trying to gloss over with fancy words the issues that lie at the root of the problem of making peace in Europe. I believe most of us realize that the world has moved forward from the idealism, shall I say, which seemed to grip the nations at the first great security conference at San Francisco to a more realistic appreciation of the situation, so that today the blunt phraseology and direct approach on the part of the big powers toward each other show very clearly the issues involved in Europe, upon which these treaties now direct the attention of this country. I believe it would be remiss on the part of Canadians generally, and particularly on the part of this parliament, if we did not take some notice of the situation which exists there.

In the case of the Italian treaty we have a situation which is of major concern to the people of Canada. Here we had a compromise settlement with respect to the great problem of Trieste, a settlement which the Secretary of State of the United States was pleased to report upon to his President and to the American people, in the early days of the conference, in this way:

> The greatest struggle was over the Italian treaty, and the greatest issue involved in that treaty was the fate of Trieste and adjacent territory along the western shore of the Istrian peninsula. The American delegation, supported by the French and British, urged that Trieste and adjacent territory which are predominantly Italian, should remain with Italy, and the predominantly Slavic hinterland should go to Yugoslavia.

The position in which every nation now finds itself, so far as approval of the treaty of peace with Italy is concerned, is one attended by a feeling of danger. There is some question whether the present set-up for Italy, as outlined at the Paris conference and for which approval is asked of parliament today, does not leave the Italian people in a defenceless position in the face of what might be known as rigorous ideological aggression in that part of Europe.

We in Canada believe that the democratic way of life is the way which, with due regard to freedom and liberty, we should encourage other nations of the world to follow. Certainly it is the desire of this country and of the Canadian people that the people of Italy should be encouraged in every possible way to see that democracy as we understand it shall have a chance to take root in that country, to grow and to develop, so that under a democratic system of government Italy, as was envisaged this afternoon by the Prime Minister (Mr. Mackenzie King), may once more take its place as a peace-loving nation within the framework of the united nations organization.

The difficulty in the compromise treaty with Italy—and it is a difficulty of which I believe the people of Canada ought to be made aware—is that while to a great extent, and quite properly, Italy has been stripped of her war-making potentials, nevertheless by virtue of this treaty of peace we have left her almost unarmed and unprotected. We have taken away from her the port of Trieste—and I am not specifically objecting to that at this moment, having in mind the necessity for

compromise. Alongside her we have left what statistics would seem to indicate as a standing Yugoslavian army numbering somewhere around 500,000 men. The danger is further aggravated by the fact that some $360 million is to come from the people of Italy in the payment of reparations. A large part of that money will go to Yugoslavia, to Soviet Russia and to the satellite states which seem to have such a close alignment with marxian policies.

Those of us in the House of Commons who are interested in external affairs would be remiss in our duty were we not to point out to the house and to the people generally the dangers inherent in the settlement of the Italian peace. I take personal encouragement from the Prime Minister's remarks of a few moments ago, which I believe were to some extent a repetition of what was said a few days ago in the house by the Secretary of State for External Affairs (Mr. St. Laurent). Both right hon. gentlemen have stated that these treaties will not necessarily mean that Canada will rush in with great haste in an attempt to put its imprimatur upon what may readily be regarded as a matter of grave consequence to the peace of Europe and the welfare of our own people in general.

I am not taking that position of opposing the approval of these treaties. I do not see how we can very well avoid giving approval, because Canada's word has already been given. Having in mind, however the fact that so many changes have taken place in the meantime, there seems to be some additional argument as to why we should not have moved more quickly than we did. Certainly we should not have moved more quickly than we have moved in trying to put any part of Europe in either a political, economic or financial straitjacket. Those of us who have had the opportunity, even in a minor capacity, of seeing the economic disaster and the financial and physical destruction in certain countries of Europe must realize that many years will have passed before those people will have the opportunity, from the standpoint of their economy, actually to get back on their feet. Anyone who remembers the great piles of rubble, the vast devastation, almost unbelievable, unless one sees it, will realize the truth of what I am saying. One must contrast the physical and other conditions of Europe with our own difficulties. We realize that, great as are our own problems in connection with reconstruction and building, in Europe today they have not even begun in many places to clear up the rubble, let alone to lay foundations, let alone to finish building, let alone to begin again to do business. That, in simple language, is just about the position in which Europe is placed today. As to a peace settlement in Europe I have always felt that we must be most careful not too soon to put any part of Europe into either an economic or a political straitjacket. Europe is in a much different position from any other part of the world. We have seen the changes which have taken place since the Paris peace conference, and we can visualize changes which may develop to affect the views of many people who were at that conference. Having these points in mind I say we ought to go slowly and carefully in giving approval to matters of this kind.

While I am not sure that I subscribe to it, there is a school of thought which holds that the four peace treaties—actually there were five, but we consider only the four, owing to the fact that from the technical point of view Bulgaria was not at war with us—and the whole quesiton of Europe's rehabilitation and reconstruction, economically and politically, ought to have been dealt with as one major problem. It is felt by some that we should have said to Russia: You have certain problems and certain designs; you have certain policies you think should be applied in Europe; let us see what you want in Europe, and we will place beside it what we think is necessary there. It is considered that those major issues should have been the subject of one decision; that we ought not to have grappled only with the comparatively easy tasks related to the smaller nations such as Hungary and Finland, but that we should have dealt with the whole broad picture, including Germany, Austria and the other nations. In other words it is considered that an attempt should have been made to deal with the whole problem of Europe as on one political, economic and financial basis.

As I have said, that is the view put forward by some practical men who have studied the position in Europe. I am not sure that I subscribe to it. It is possible that after careful consideration the big five powers decided it was best to deal first with these minor matters, in the hope that by dealing with matters which would cause the least friction and division they might reach a formula with the aid of which they could deal with the larger problems ahead.

While this whole question has arisen with respect to the problem in Europe, we are now asked in parliament to deal with Hungary. Those of us who have watched the developments in Hungary in recent times will realize the changed situation or at least the major developments which have occurred in that

strife-torn country of eastern Europe. There is a changed government there which has led to suspicion on the part of the western powers, particularly one of the great western democracies which has protested vehemently and violently as to the motives and sources underlying the powers which seem to have called for that change of government. The Hungary of February 10, 1947, is in many respects a different Hungary from the Hungary of the present day in connection with which we are asked to approve this treaty. This only bears out some of the arguments which have been brought forward by people in other parts of the world and which I think are at least worthy of consideration by this house.

I am not going to deal at length with these matters because after all they should have been dealt with at an earlier stage when we could have discussed the whole question of our foreign relations in Europe. When Canada went to the peace conference a good many people thought that we were going on an equal footing with the other nations attending that conference. As I understand it, Canada actually was never asked to make a decision with respect to these peace treaties at the Paris conference. Under the procedure which was set up and which was subsequently followed, she was permitted to make recommendations along with a great number of other countries. But those recommendations were limited as to extent and as to the grounds upon which they were made. They were further limited, may I say, by there being no guarantee whatsoever that the council of foreign ministers would do more than consider the recommendations which had been made by Canada or which had been agreed to by the powers in general. In a sense we were acting only as a sort of general adviser with respect to the thing without being even in the position of real advisers.

Mr. MACKENZIE KING: Commentator would be a good word.

Mr. GRAYDON: I do not always find the Prime Minister's language and my own coinciding, but I think I can take that word from the Prime Minister because that is about what we were finally reduced to. It was just a question of being a commentator upon the proceedings of the conference. Many bitter things were said at that time with respect to the conference, and perhaps not without special grounds. In another debate earlier this session I had occasion to make mention of this one particular point, and since it is germane to the subject which is now before us, perhaps I could repeat a sentence or so. Having in mind the fact that the press from all over the world was represented generously at the conference, journalists of twenty-seven countries took an official poll of the Paris peace conference when it had come to an end. Three questions were asked in the poll: First, did the press men regard the conference as a success; second, did they regard it as a failure, or, third, did they regard it as a farce. Of those journalists, thirty-one replied that they considered it had been a success; 56 stated that it had been a failure, and 33 said that they believed it had been a farce. The proportion of criticism as against approval was therefore more than two to one. The great Winston Churchill, commenting upon the conference, said that he regarded it as bad diplomacy but perhaps it could be considered as valuable education for the future.

Apparently Canada has found that there was some good education in it as well as a number of good lessons to be gained. After we had gone through the experience of the Paris conference, where our voice was just about an international whisper, as far as I can gather—there was not much more allowed to us than that—we took a stand in connection with the Moscow conference which dealt with the German and Austrian treaties. I was one, and I think the house was almost a unit in taking this view, who supported Canada's position with respect to greater and fuller participation in that great conference at Moscow. We did not get very far with our proposals and suggestions, but on the other hand those who were at Moscow did not seem to get very far either in the development of the business which lay at their door at that time. As I said in a previous debate—I want to repeat it now because of its relevancy to the subject—it seems to me that Canada ought to have raised a greater and more powerful voice at Paris instead of waiting until afterward to raise the voice that was finally raised in January of this year. Having had the embarrassing experience, along with some other nations, of not being granted an equal voice in connection with the treaty making in Paris, I think we ought to have taken a stand which would have been more effective and would have carried more weight than anything done at a later time.

So fas as Canada's part in the peace conference at Paris was concerned, our policy, as was stated by the Prime Minister in one of his addresses, was to assist in the revival of European political democracy. With that statement I think Canadians generally will

be in agreement. I am not so sure that we followed the line that this country ought to have followed in connection with the Paris conference. I say that with some diffidence, because it seems to me that we departed and retreated so far as the Paris conference was concerned from our multiple party system of delegations in external affairs matters. It might be that that case was not on all fours with some of the meetings to which this country has been invited from time to time, but it did have the effect of the government being the only ones in full possession of the facts relating to the whole problem of the peace treaties and to what went on over there. Everything is not always on record in connection with international conferences. There are questions of background, there are the other vital problems which face the delegates from time to time. These are important factors in any international conclave. As the Prime Minister and the Minister of National Defence were the only members of the house who were there, I think the government might well have seen to it that these treaties were referred to the standing committee on external affairs so that detailed consideration might have been given to their provisions. I do not believe we are taking the proper stand in connection with these matters by simply having a resolution brought before the house concerning treaties as to the background of which the government itself is the only one who has any inside knowledge. As I understand it, a resolution such as this goes through only one stage. It does not provide opportunity for examination of the Prime Minister or the Minister of National Defence, who were there. It leaves this and other parties on this side of the house in the position of having to take it or leave it.

I suggest to the Prime Minister and to the Secretary of State for External Affairs in view of the problems which this matter raises in connection with our foreign relations, if there ever was a time when the standing committee on external affairs ought to be given an opportunity of doing a first class and comprehensive job it is on peace treaties. It is not only a matter of the technical approval of these treaties. This house has never had enough debating opportunities on the whole problem of Canada's policy on foreign relations. In this parliament we cannot hope to keep abreast of the obligations we are assuming in the international field.

As the Prime Minister indicated in one of his earlier addresses this session, we were at seventeen world conferences in 1939, and

Canada was officially represented at ninety-eight last year. If one looks over the whole field of our development of external affairs he will see that it is hopelessly out of joint, shall I say, when compared with the length of time that is provided and the opportunities given parliament for a full and comprehensive discussion of our foreign policy. It is not enough, as I say, in this particular case, simply to refer to this as a technical matter of the approval of treaties. This brings into the spotlight the whole problem of our foreign relations in Europe. If there is anything more important to parliament and to the Canadian people than our foreign relations in Europe, I should like to know what it is; because the whole question of peace or war, and the security of our homes and of our people, are bound up in seeing to it that the peace of Europe is firmly and properly established. When these peace treaties come back from the external affairs committee, where I hope the government will send them, this house should have an opportunity, on a motion for concurrence in the report, to have a full, detailed and lengthy debate, even at this stage of the session, because after all, time can be taken off some other less important things. The house is entitled to know the government's policy and to have it fully discussed and laid bare to the people of Canada. I do not think this house should prorogue until such time as the foreign relations of Canada are fully and properly debated on the floor of the house.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, I wish to associate myself with the hon. member for Peel (Mr. Graydon) in the suggestion that these treaties should have been referred to the committee on external affairs. Not that the committee could change them, any more than this house can; but we could get some information in regard to them and understand their implications better and the conditions with which we are confronted in Europe, so that we could decide what we should do. The ratification of these treaties by parliament will, I understand, bring to an end hostilities between ourselves and the European countries concerned, and we must all welcome that. For some time I have been firmly of the opinion that the war will not be ended for us, nor will the danger of another war be over, until we have rehabilitated the countries that were devastated economically by war, so that they can again take their normal place in word affairs. Hon. members who have been privileged to visit Europe in the last few years knows of the devastation that has taken place in these countries. It was not only destruction of material things. It was more than that; it was an upheaval

that destroyed their normal way of life, and that is perhaps more difficult to restore than their economic stability. Therefore I hope that this government and this parliament will do everything possible in an economic way to assist the countries of Europe to regain their feet. Any expense we may incur in doing that should be considered as a war expense, because until these countries are economically reestablished, peace is never safe.

I suppose the treaties represent the best that could be done under the circumstances in which the peace conference was held, with all the differences, ideological and others, between parties who were at one time allies and had taken part in framing these treaties.

In conclusion may I say that I am sorry the government did not refer the treaties to the committee on external affairs, where we could have at least examined the Minister of National Defence, and some of the officials who took part in the peace conference. I doubt whether it is not too late in this session for that to be done this year, but I hope the government will take note of it and that they will not let an opportunity of this kind pass another time.

Mr. NORMAN JAQUES (Westaskiwin): I should like to associate myself with the remarks of the hon. member for Peel (Mr. Graydon). I think there is a great deal in what he says, but in the meantime I should like to ask the minister a question, if he will answer it. The treaty with Hungary was signed on February 10, 1947. I should like to know what difference, if any, has been brought about in that treaty by the recent coup d'état of the communists in Hungary. Does the treaty still hold, or does that abrogate it?

Mr. ST. LAURENT: Perhaps I might have the consent of the house to venture an answer to the hon. member's question, though it would not be according to the ordinary standing orders. In my view the fact that someone else may now be in control of the executive branch of government in Hungary would not affect the validity of the treaty, any more than if my hon. friend one day became Secretary of State for External Affairs would it affect the validity of treaties entered into by Canada.

Mr. GRAYDON: That is entirely different.

Mr. ST. LAURENT: As to depositing immediately letters of ratification signed by His Majesty, that is a matter that will still have to be considered, and Canada would presumably not take an isolated stand in that respect. Canada presumably would be acting after consultation with other nations parties to the treaty.

Mr. JAQUES: I understood that President Truman was to take steps, or it was reported in the press that he would take steps, to deal with the new government of Hungary. I wondered whether that would extend to the treaty that was signed last February, and if not, why not. What I would like to see in the committee on external affairs is this, and I have advocated it from the formation of the committee. I would like the committee to have the privilege of calling witnesses so that we can hear the evidence on both sides of this question. Then we should be in a position to make up our own mind and act accordingly. As it is, the treaties are signed and agreements are made and then we are asked to confirm, to sign on the dotted line, when the deal is closed. That does not seem to me to be very useful for us, and it is almost a waste of time. At any rate it is no more than a matter of form. There are many international questions that are bound to come up in the future, and I suggest that the committee have the advantage of hearing witnesses so that we can get the evidence on both sides of these questions. Then, as I say, we should as responsible members of parliament take the responsibility of forming our own opinion and acting accordingly.

Mr. H. W. HERRIDGE (Kootenay West): I am always anxious to see a subject well examined. Here the great powers have met over a period of time and have drafted these peace treaties. There is no question about it that they had to compromise and draft peace treaties which could be agreed upon by all the great powers. I do not think anything is gained by reexamination or quibbling or questioning. We should play our part and support their efforts to bring about world order and peace as soon as possible, and when we have that we shall have the foundation laid for trade and all the things on which permanent peace is built.

Hon. BROOKE CLAXTON (Minister of National Defence): As the member of the delegation who following the departure of the Prime Minister on August 25, 1946, until October 15, 1946, had the honour of leading the Canadian delegation in Paris, it would perhaps be proper if I said a few words before the motion is put. It is thoroughly understood that the purpose of the conference was not to draft treaties of peace.

Canada declared war on Italy on June 10, 1940, and on Roumania, Hungary and Finland

on December 7, 1941, in consequence of states of war having been brought about by those countries. The purpose of this resolution is to authorize approval of the treaties of peace which have been prepared to end the state of war which existed between the twenty-one allied governments and four of the satellites of Germany. The treaties represent the work of the council of foreign ministers at the Paris conference over a period of some eighteen months. These treaties, as finally drafted by the council of foreign ministers, were put before the house on February 10, when the Secretary of State for External Affairs made a brief statement. At that time the report by myself on the work of the Canadian delegation at the Paris conference was tabled and printed as an appendix to *Votes and Proceedings*. The treaties of peace have therefore been before this house and the Canadian people for some four months, and that has given an ample opportunity to hon. members and others to examine the treaties and see what they contain.

The Paris conference itself stemmed from the Potsdam conference which was held in July 1944. At that conference the heads of the governments of the United Kingdom, the United States and the U.S.S.R. issued a protocol on August 2, 1945 providing for the establishment of a council of foreign ministers composed of representatives of their three governments, as well as of France and China. The council was charged with the task of drawing up treaties of peace with five of the satellites of Germany in order that these draft treaties might be submitted to the members of the united nations who had taken a substantial part in the war against these five countries. This work of preparation was to be done by the representatives of those powers which had accepted the surrender of the respective enemy countries. For the purpose of participating in the drafting, France was considered as a signatory to the terms of surrender for Italy.

In all international agreements, as in all agreements, someone, at some stage, has to set in motion the process of putting words on paper to represent the agreement; the work of drafting has to be begun somewhere. In this case it was begun by the council of foreign ministers of the powers I have mentioned. They met at London for the first time on September 11, 1945 and a series of meetings were held which terminated on October 2. The first draft of the Italian treaty was prepared by the representative of the United Kingdom, and it was tabled at this meeting; but little progress was made at the meeting because of failure to reach agreement on the procedure to be followed. This difficulty was overcome when the foreign ministers of the United Kingdom, the United States and the Soviet union met at Moscow between the 10th and the 24th December, 1945. At that conference it was agreed that the terms of the peace treaty with Italy should be drafted by the foreign ministers of the powers I have mentioned, and that the deputies of the ministers should immediately set about the work of drafting. It was agreed that they would resume their work in London. It was also decided that when the drafts had been completed the council of foreign ministers would convene a conference of specified members of the united nations which had actively waged war with substantial military forces against European enemy states, for the purpose of considering the draft treaties. Following this, those of the great powers signatory to the respective armistice terms would draw up the final text of the treaties which would come into force immediately after ratification by the big four.

From January to April, 1946, the deputies of the foreign ministers worked in London on the preparation of the five draft treaties. A special commission was sent out to study the problem of the frontier between Italy and Yugoslavia. On April 25, the council of foreign ministers met in Paris to resume negotiations on the five peace treaties. At the first meeting it was agreed that France should participate in the discussions of all the treaties and not merely of that with Italy. From May 16 to June 15 the council of ministers met. They agreed on settlement of the Soviet claim to Italian reparations, the amount being fixed at $100,000,000, and on the principle of creating the free territory of Trieste. The French proposal, known as the French line, was accepted in regard to the Italian-Yugoslav frontier. On July 5, the council of foreign ministers issued an invitation to the other sixteen nations to attend the conference at Paris. The conference began on July 29 and met continuously until October 15.

In convening the conference, the council of foreign ministers had agreed between themselves to support the clauses in the draft treaties on which they had already reached agreement. The rules of procedure drawn up by the council and put before the conference for its consideration provided for recommendations for changes in the draft treaties being made by the conference by a two-thirds majority. At the very outset, this proposal with regard to the necessity for a two-thirds majority to make a recommendation resulted in a debate which at times became heated and undoubtedly adversely

affected the atmosphere of the conference. The view taken by the Canadian delegation as put forward by the Prime Minister was that we would not take an active part in the discussion of these rules of procedure. It seemed to us that we should get on with the work of the conference. The point was put time and again that in order to arrive at a treaty of peace it was necessary to have agreement. Peace could not be made by either votes or vetoes.

On a number of points of major importance the big four had not been able to reach agreement prior to the conference. Consequently on these points there was very active debate at all stages of the conference between representatives of the big four as well as all the other members of the conference. Some three hundred recommendations for changes in the peace treaties were put forward by representatives of the twenty-one nations. Those were considered in various commissions, and then the reports of the commissions were considered in the conference as a whole. In the final plenary sessions there were no less than 243 votes on these recommendations, which resulted in sixty recommendations for changes in the drafts being carried by a two-thirds majority and fifty-two by a simple majority.

Following the adjournment of the conference on October 15, the council of foreign ministers met at New York to draft the final texts. In their discussions they gave weight to the recommendations carried by a two-thirds majority, and the substance of a good number of these recommendations was incorporated into the final treaties. The treaties themselves have been signed by all twenty-one nations and by the five enemy states. So far as is known, none of the allied states or the ex-enemy states concerned have to date deposited ratifications, although in the United Kingdom a bill has been adopted to provide for approval of the treaties. It is believed that a number of the countries are ready with the constitutional steps necessary to effect ratification. The Paris conference was useful in that it gave all representatives of the twenty-one nations an opportunity to make themselves heard, to have the points debated, to secure information, and then to state where they stood in respect of all the points in issue. I believe this was an innovation in the methods of making peace; and in so far as it gave all the participating nations a voice, it was an improvement on previous peace-making procedure. Further, when the discussion had ended and the votes had been taken, the council of foreign ministers meeting at New York was able to reach agreement on every point that was in issue. Compromises were worked out and for the most part the recommendations made at Paris were given effect to by the council of foreign ministers. Whereas before the Paris conference there were a great number of important points in respect of which the council of foreign ministers had been unable to secure agreement, following the discussions and expressions of opinion at the conference they were able within the next two months to arrive at agreement and to complete drafts of the treaties which are now before the house. So that it is quite impossible to say that the Paris conference did not accomplish anything. In the first place it was an improvement on treaty-making procedure, in this very important respect, that it gave the nations taking part in the war a chance to make their voices heard. In the second place it gave them a chance to indicate where they stood. In the third place it gave all five ex-enemy countries an opportunity to make their representations before the conference and before all its commissions. Similarly, opportunities were given to other interested nations. In that sense the conference was a democratic organ, proceeding, as far as the recommendations were concerned, on the basis of debate, discussion and vote following the debate.

The hon. member for Peel (Mr. Graydon) referred to a straw vote taken by some journalists. I think the number of journalist votes he gave would total some 120. Nobody knows how many journalists were at the conference, but the best estimate I heard was two thousand. So that 120 represent a fairly small proportion of the two thousand journalists who were attending the conference.

Mr. GRAYDON: The others may have abstained from voting.

Mr. CLAXTON: They may have. They may not have had the opportunity. There may have been some principle of selection. We do not know. But one journalist, who had great experience in these matters, when he asked if he regarded the conference as a success, stated that it was a success but it was a bad success— a *succès triste*. That represented a wide measure of opinion. The reason for that qualification was that at the conference there was brought out more sharply than ever before existence of a conflict of view between on the one hand the Soviet union and the five states which usually voted with it in such matters, and on the other practically every other nation represented there. The cleavages between these two were brought forcibly into the open, to indicate not only to the conference but to the people of the world the difficulties and the awful dangers implicit in this kind of cleavage

through the whole machinery of international cooperation.

Hon. members may appreciate something of the size of the task of a conference of this kind when I mention it was estimated that in attendance at the conference there were some six thousand people, of whom about two thousand were delegates and their advisers, secretaries, messengers and so on; about two thousand were journalists, radio reporters, cameramen and the like, and about two thousand were members of the secretariat, almost entirely supplied by the government of France. The conference met at the Luxemburg palace, in the senate chamber, and proceeded speedily to hear speeches of a general character from the representatives of all the nations present, and then to deal with questions of procedure in a committee on procedure. When that committee reported back to the plenary conference its report was adopted after a number of votes and considerable debate. Ten commissions were created. One of them was the general commission which was to have been the steering commission, but it never met. The nine active commissions were the five territorial commissions dealing with the treaties with each country; the economic commission on the treaty with Italy; the economic commission on the treaty with the other Balkan countries; the military commission, and the legal and drafting commission, of which I had the honour of being president. The commissions met over a long period. Generally speaking they met every day from ten in the morning until one-thirty, from three-thirty until seven or eight in the evening, and frequently again from nine o'clock on. One commission met continuously from nine o'clock one evening until six-thirty the following morning, but that record was speedily beaten by the economic commission on the treaty of peace with Italy which met continuously, without interruption or adjournment, for a period of twenty-eight and a half hours.

The business of peace making, as I think hon. members will recognize from reading the records of the previous Paris conference, in 1919, or any other peace conference, is exceedingly arduous, requiring long hours and the hard work of large numbers of people. The Canadian delegation was not one of the largest by any manner of means. Where I think the Yugoslav delegation had a membership totalling something like three hundred, the Canadian delegation never totalled more than approximately thirty. Of all those present I believe the Canadian delegation was the most bilingual of all the delegations present at the conference. When the active work of the conference was well under way, and for a very considerable period of the conference, every member of the Canadian delegation could understand and make himself understood in both French and English. The delegation also was fortunate in having as one of its leading members our ambassador to Moscow, who speaks and understands Russian. As leader of the delegation at the end I should like to say how great a privilege it was to serve with such a devoted group of people, and I want to express thanks here, as I have done privately to them, for their very loyal work for Canada throughout the whole period. I do not believe any national delegation was better served by its advisers and members than was the Canadian delegation; nor do I think any of them worked harder or did more to try and ensure that the treaties of peace when finally drafted would be as good as they could be.

The conference had one unusual feature, in that instead of the steering being done by the general committee or a steering committee consisting of representatives of the conference, it was done by what was called the secretariat, which consisted of eight members meeting under the chairmanship of the secretary general. This was a new device at international conferences, and in the view of most delegations I believe it was one which should not be followed at future conferences if it can be avoided, because it departs from the principle of democratic control of the conference being effected by members of the conference as a whole. While this secretariat, as it was called, dealt largely with matters of procedure, sometimes those matters did affect the work of the conference in major particulars.

The hon. member for Peel said he did not think we followed the line we should have followed and I believe that remark was tied in with his following sentence, relating to the composition of the Canadian delegation not being represented by members of the various groups in parliament. That was a matter to be decided by the government, and in view of the fact that under our system it had to take responsibility before this house and before the country for what was done the government felt that course should be followed in connection with the execution of a treaty of this kind. The hon. member also suggested that the Canadian delegation should have raised a greater and more powerful voice at Paris. I suppose there is always room for remarks of that kind, but it would be interesting to know in what particulars the Canadian delegation erred. I would be very glad to go over with my hon. friend the 253 votes at the final session of the conference and the

thousands of votes of which we have record in the commissions, to see in what respect the Canadian delegation should have voted differently or spoken differently. I believe the line laid down by our Prime Minister for the conduct of the Canadian delegation, in his opening speech at the conference and in his oral instructions to the delegation, was one which met with the widespread approval of the Canadian people. At Paris it proved to be a sensible, reasonable and constructive line, and I think most of the delegations there recognized that the part played by our delegation had been helpful throughout and was designed, as the Prime Minister intended it to be and as Canadians would like it to be, to do everything possible to bring about the greatest possible measure of agreement on the best possible peace terms at the earliest possible date.

Our experience at Paris leads me to make some further remarks of a more general character. In the first place the Paris conference threw emphasis on the fact that we now have diplomacy by conference as a major agency of international cooperation. The vital importance of the matters discussed has increasingly resulted in negotiations being handled and decisions made by top-level spokesmen of each country meeting face to face at conferences, rather than to follow the older method of using our diplomatic representatives in foreign countries. This has been brought about partly because of the greatly increased complexity, importance and interdependence of the questions which have to be discussed; and it results in part from more rapid means of communication and transportation.

The development however has placed a heavy burden on countries like Canada which have not had a large Department of External Affairs. The fact that, as the Prime Minister said, we had to attend some ninety-eight conferences in 1946 indicates the heavy load which must be carried by members of the government, and by the officials, advisers and staffs of the Department of External Affairs, and other departments concerned. Certainly my experience, having attended three major conferences in 1946, as well as attending to the other business with which I was entrusted, led me to believe that these conferences and this method of doing business expose people in public life to a continuous burden of overwork and overstrain which I do not think has been known before. But we cannot escape from this burden. The suggestion sometimes made in the house and elsewhere that we could stop going to conferences cannot be seriously regarded. Canada has worldwide interests. That has been shown by her participation in two wars, and the fact that we suffered from the worldwide depression. We cannot escape from our responsibilities, and should also be ready to take advantage of our opportunities to make any contribution we can to international cooperation.

Having attended a great number of these conferences, and having seen the work that is done, my belief is that hon. members would be astonished if they knew the actual amount of drafting of international instruments done by our representatives, an amount out of all proportion either to the size of the country or the size of our delegations.

Another point which the Paris conference threw into greater prominence was the emergence of two or three super-great powers as a dominant fact of international cooperation affecting peace and security to a greater degree than any similar development has ever before affected peace, security and the opportunities for a good life.

In the third place the Paris conference likewise threw into sharper contrast than ever before the consistently opposing views of the east and west, of the Slav countries and the rest of the world. I have already referred to that, and it is evident to hon. members.

Further anyone who has been exposed to the necessity of conducting international affairs in the kind of atmosphere developed by these conferences must be conscious of the need for new techniques of international cooperation. It becomes increasingly important when there are differences of opinion, and when there are wide differences of ideologies and language, that nations taking part at international conferences, as well as the conferences themselves, should be particularly correct in all their procedure, and that the rules of procedure should be worked out with much greater care than seems to have been done in respect of international conferences in the past.

Our experience at Paris was that the rules under which we worked could have been improved greatly. I ventured to bring this point out in my final speech at the closing plenary session. It was the only suggestion of its kind that was made; but I am glad to say that speaking privately many of the representatives at Paris agreed with this suggestion and felt that procedure had become of the utmost importance in arriving at workable machinery on which to find agreement.

Our experience at the Paris conference was that its success and work was affected to a considerable extent by the discussions at the

start with respect to procedure, which might have been obviated had draft rules of procedure been circulated in advance to the nations coming to the conference, so that they could exchange their views, and then in camera before the conference began, arrive at common agreement with respect to the rules of procedure.

There was another feature at Paris which led to a good deal of discussion among the delegates, and that was as to how far peace negotiations could go when everything was done in public. The Paris conference, I believe, was the first major international conference that which not only plenary sessions but also the meetings of all the commissions were held in public. As hon. members will appreciate, this resulted in a number of speeches being made, not for the purpose of reaching agreement but for home consumption, for the purpose of dealing with one section or another of public opinion throughout the world. The view generally held by most delegations at the conference was that plenary sessions should be held in public, meetings of commissions, and certainly of subcommissions, should be held in private so as to facilitate the close discussion on points of drafting and the like.

These suggestions were discussed with the representatives of numerous delegations at Paris. I believe they met with a wide measure of support, and our hope is that if and when there are future conferences of this kind, they will be considered.

As I said, the peace conferences now before the house have resulted from some eighteen months of work. I am sure every nation worked for months before that on the preparation of their documents, maps and books of instruction, and our belief is that they represent the highest possible measure of agreement.

The hon. member for Peel has spoken about a desire that Italy should not be put into an economic straitjacket; our view was that everything possible should be done to enable Italy to take her place among the nations of the world so that she could become a contributor to the world's prosperity, and not a consumer of assistance from other nations. That was the view taken by the Canadian delegation throughout the conference. I might establish that by reading to the house a passage from a short speech delivered by Mr. L. D. Wilgress, our representative on the economic commission for Italy, which he delivered before that commission on September 2, 1946:

> The Soviet delegate made the point earlier in our discussions that the reparations provisions of the peace treaty will provide for Italian factories and Italian workmen. With this object we are in full agreement. But it is precisely to help Italy to provide work for Italian factories and Italian workmen that we wish to see Italy recover as rapidly as possible her export trade with as many foreign markets as possible. This will provide the means whereby the raw materials essential to the Italian economy can be obtained. The need for raw materials has not been overlooked and is covered by the provisions set forth in paragraph 4 of article 64. But, it is desirable that the economy of Italy should not be made too much dependent upon her commercial relations with any one country. This would run counter to the fourth principle of the Atlantic charter to which I have already referred and to which most of the countries represented here subscribed in the united nations declaration of January 1, 1942. By this fourth principle, the united nations committed themselves "to further the enjoyment by all states, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity."

That was the view taken by the Canadian delegation, and that was the view put forward by other like-minded nations.

Mr. BLACKMORE: It would be enlightening to me to have the minister's idea of what was meant by permitting access, on equal terms to all nations, to trade and raw materials. Did that mean the application internationally of the most favoured nation clause?

Mr. CLAXTON: My hon. friend is as familiar with the terms of the Atlantic charter as I am. It has been the subject of a great deal of comment and exposition, and is now no doubt being actively discussed by the international trade organization meeting at Geneva. I do not believe I would help the house in any way by giving my view on that point at this time.

Mr. BLACKMORE: I was seeking the general view of the people at the conference.

Mr. CLAXTON: My hon. friend will find that Mr. Wilgress, our representative, was referring in his speech to this article of the charter of the ten united nations as declaring the principle on which he thought the conference should deal in a general way in arriving at the economic terms of the treaty with Italy. There was nothing in that particular part of the debate which had to do with the most favoured nation clause; that came up in connection with another article. The draft treaty of peace with Italy provides that Italy and the allied countries will give each other most favoured nation treatment for a period of eighteen months after the coming into force of the treaty. We made an effort to have that extended to three years, but in the final result that was not agreed to.

While these treaties do not represent everything that the Italian people and other nations would like to see, they are generally fair, just, reasonable and workable if there is a spirit to make them work. When one considers the amount of damage caused to the lives and fortunes of many people by the five countries concerned, the terms have been regarded as being even generous. In any event they are the best that could be obtained, and it is hoped that this house will see fit to authorize the government to approve them.

Mr. G. K. FRASER (Peterborough West): The Minister of National Defence (Mr. Claxton) said that the treaties had been before the house for some four months, so that hon. members could study them. But we have had only one side of the case. The treaties contain only the different articles; they do not explain why those articles were put in. I believe that is why the hon. member for Peel (Mr. Graydon) suggested that the treaties should have gone before the standing committee on external affairs. I agree with the hon. member, because I am also a member of that committee.

The first few lines on page 4 of the treaty with Italy seem to indicate that the united nations wish to treat Italy very fairly, but I feel that the terms of this treaty with Italy are unjust in some particulars. That is only my personal opinion, but on reading the terms of the treaty I feel that if we had had a chance to study this in committee, if the Minister of National Defence (Mr. Claxton) had been a witness there, he might have been able to change my views.

The way I figure it out is that the conditions of this treaty are such that Italy will not be able to expand her own resources and carry out in a business way as which perhaps she would like to do. This treaty cuts into the frontiers of Italy; it deals with customs, railways, the control of water power and many other things. In trying to carry out the terms of this treaty I feel that the united nations should, and I am quite sure they will, treat Italy with all fairness.

While Italy was our enemy during the first years of the war, later she saw the light and to some extent helped to turn the tide in the favour of the allies. We have thousands of people in Canada of Italian parentage. Those whom I know are good citizens. They own thousands and thousands of dollars' worth of property, and without doubt are helping to make Canada a better nation. Steps should be taken to see to it that these terms are carried out as fairly as possible.

In future hon. members should have a chance to discuss treaties in the committee on external affairs before they are brought to the house, or even after they are presented in the form of a resolution. I feel that Italy should be given every possible encouragement by Canada to rebuild what she lost during the last few years of the war, and I hope the united nations will see that she has that opportunity.

Mr. SOLON E. LOW (Peace River): Mr. Speaker, I want to say just a word, more particularly with reference to the treaty with Hungary. I do not wish to repeat the things that have been said already by the hon. member for Peel (Mr. Graydon) and others, with much of which I agree. It is somewhat regrettable to me that in the efforts to build peace treaties with these countries it was found necessary to agree to the transfer of territory, for no other reason perhaps than to give to the receiving country what is known as a strategic frontier. I am afraid that the Paris conference must have agreed to some of these transfers, more as a means of appeasement of Russia than anything else. I can quite understand the difficulties they faced in drafting these treaties and coming to an agreement with countries having such widely varied approaches. Perhaps it would have been necessary, had we taken a very strong stand, to fight Russia now; but whether that was so or not I am afraid that in agreeing to the transfer of territory we have sown the seeds for future war and given occasion for bitterness in the minds of people which over the years may cause a deterioration in relationships so that war will become inevitable. May we hope, nay, may we fervently pray, that that will not be the case. I refer more particularly, Mr. Speaker, to the Hungarian treaty. I notice that three villages on the south shore of the Danube, together with their cadastral territory—which I understand to mean units of agricultural lands around the villages that are set up as units for taxation purposes; I am not going to attempt to pronounce the names—were ceded by the treaty to Czechoslovakia. I understand that the reason given by those who claimed that the territory should go to Czechoslovakia was that it would be purely a strategical frontier rectification. We heard much of that during the time of the peace conference. The Czechoslovakians protested vigorously that they were peaceful minded; that they had always been so. In the light of that, Mr. Speaker, it is difficult for me to understand why they needed a strategic frontier. If they did need it, and if they were able to show during the time of the conference that they were entitled to it, I wonder why it was that they were not asked

to cede back to Hungary territories that were taken from that country by the treaty of Trianon in 1920? So far as I can find out, no attempt was made to have Czechoslovakia cede back that territory which was taken away from Hungary by the treaty of Trianon. For over a thousand years Slovakia was a part of Hungary. During the time of the deliberations at the conference we heard a great deal of the mistreatment of the Slovaks by the Hungarians during that period. I seriously doubt whether these claims were well founded.

It is a matter of history that the Slovaks during the whole period were allowed to continue the use of their own language. It is a matter of history, too, that the Hungarians never molested the Slovaks in any way. They were allowed to live their own lives without molestation. If in spite of the treatment which the Slovaks had received at the hands of the Hungarians, they want to break away, of course that is all right; I suppose we have to wish them good luck, but it does seem to me that if they want to break away from Hungary now they should not be allowed to take a fairly sizeable piece of territory with them, particularly a piece of territory in which substantial groups of pure Hungarians have been rooted for centuries and in which they and their families have carried on agricultural pursuits in peace. By this treaty a slice of territory, where these Hungarians have lived in compact units, is to be taken away. The Hungarians, I understand, who have been there for so long, are being uprooted from their ancestral homes and are being sent to Sudetenland, particularly to work in the industries which have been established in that country. These Hungarians have always been agriculturists, not industrialists. They will not be happy under the new arrangements. Surely the conference should have had in mind the happiness of these people and their ancestral rights.

I have a good many Hungarian friends in this country, but not in my present constituency. I do not think there are many in Peace River, but I represented many Hungarian people in the Alberta legislature for quite a number of years, and I got to know them, their history and their problems. I have been told by eye witnesses who have been in the old country within recent months that in parts of the territory which according to this treaty are to be ceded to Czechoslovakia, changes are taking place so that the idea can be spread abroad that they were not always Hungarian. The Czechoslovak authorities are demolishing and defacing gravestones that have been there for hundreds of years in an effort to bolster their claim that the territory was not always pure Hungarian. Keeping in mind, Mr. Speaker, the fact that the Hungarians are neither Germanic nor Slavic, but a distinct race, this becomes a very serious matter. It is a serious thing to deface the evidences; the people in a given area have lived there for hundreds of years.

I claim that one of the important principles to be observed in the making of peace treaties is that no country should be impoverished by transfer of territory so that it is in danger of losing its identity; that no transfer of territory should be allowed which would be a cause for festering sores in the minds of the people for many years,, which festering sores will eventually break out and lead to another war. In agreeing to the cession of these territories to Slovakia, apparently for strategic purposes, we are contributing to the impoverishment of a country which could for many years to come be a source of important trade to the trading nations. I hope we are not lending our hand to an unwise transfer of territory which will result in the impoverishment of Hungary.

There is one further matter. Hungarians, as a distinct race, neither Germanic nor Slavic, have always been a good balancing unit in Europe and we should insist that conditions be laid down so they might continue to be a balancing unit. On the other hand the Czechoslovaks, to whom the territory is being ceded, will always side with Russia because they are Slavic people. That, it seems to me, is a serious thing in the treaty with Hungary. I am disappointed at the transfer of territory provision, and I hope that when the minister replies he may have some information to give that will show that it just could not be avoided. I suggest that we are not justified in agreeing to this transfer of territory unless it is absolutely necessary in the interests of peace to do so. That is all I shall say at this time.

Mr. J. M. MACDONNELL (Muskoka-Ontario): I rise to make one or two brief comments only, suggested by the speech of the hon. member for Peel (Mr. Graydon). Bearing in mind the Prime Minister's remark that we are mere commentators, a remark which I think we might expand by saying that we are commentators on commentators, I suggest that one must not take oneself too seriously at this moment. Indeed, so far as approving the resolution is concerned, I think it is the common sense thing to do. When we reach the committee stage there are one or two questions which I should like to put for the purpose of eliciting some information.

Mr. MACKENZIE KING: There is no committee stage.

Mr. MACDONNELL (Muskoka-Ontario): Then I will put these questions at the end of my remarks. The chief point I wish to make is to refer to the dearth, during my short parliamentary experience, of any opportunity to discuss foreign affairs. One wants to be fair, and I imagine that between the wars there were very genuine difficulties, genuine political difficulties about the existence of which we are all aware, that made people on both sides of the house, I suppose, wish to avoid the subject. But I think it was lamentable because it meant that the Canadian people were left in a kind of irresponsibility to some extent. They did not know enough of what was going on, and perhaps that was one reason why the people who did try earnestly to arouse public opinion met with the reception which was given them. The Minister of National Defence (Mr. Claxton) was one of those who tried to arouse public opinion through the medium of the league of nations society, and who failed lamentably. We can remember the names of some of them—Sir Robert Borden, Hon. N. W. Rowell, Sir Robert Falconer, Sir George Foster. Did those gentlemen get thanks or admiration for their efforts? No. On the whole, they were laughed at. People said "We are only fighting animals, and we must fight again." Well, we did fight again.

The reason I suggest very earnestly that we should have debates in this country on foreign affairs, and debates that amount to something, is that in my view public opinion needs to be constantly stirred up. It ought not to be necessary, but it does need to be stirred up, and it should be stirred up so that we shall have ever present to our minds the formidable, indeed the devastating international problems which now face us, and so that we shall not slip into the attitude of mind, into which there is a danger of our falling, of being on the one hand more or less forgetful, or on the other hand, and that is just as bad, fatalistic and acquiescent.

I want to add a word as to the history, in my short parliamentary experience, of debates in this house on foreign affairs, which debates I take it would naturally come when the estimates of the Secretary of State for External Affairs are before the committee. That is my understanding. I remember very well my first session in the House of Commons. We had been expecting the foreign affairs estimates, but they did not come until the second last day of the session, a day which I remember quite well because it was the Prime Minister's birthday. We joined in a dinner in the House of Commons—Dutch treat—at which we did honour to the Prime Minister, and when we came down here into the chamber, to our great surprise we found him ready with his foreign affairs estimates. I had often been told of the Prime Minister's skill in timing, and that was an excellent instance of timing, because you cannot really go after a man in anything like hostile fashion after you have been at a dinner in his honour, and a very pleasant dinner it was too.

In the second session it was even worse. I remember quite well, as I am sure the Secretary of State for External Affairs will remember, the 31st day of August last. It was the last day of the session, and there was in the house a remnant of members who had not yet gone home to pursue their businesses or their pleasures. It came to Saturday, August 31, and the estimates for the Department of External Affairs were brought down that day. The Secretary of State for External Affairs, kindly but persuasively and firmly, pointed out to us that unless we wanted to stay over for several days more, which no one very much wanted to do at that time, we should have to shorten the debate drastically, and of course it was shortened drastically. If I remember rightly, the hon. member for Peel, who has devoted a great deal of time and thought to these matters, was barely able to get half an hour in which to express his views. There were others who felt themselves in similar difficulties. Now, at this session, we are approaching the end of our labours, and it looks to me very much as though we might be in the same position again. I would therefore appeal to the Prime Minister and to the Secretary of State for External Affairs to see to it that the same thing shall not happen again.

In my opinion it is one of the duties of parliament to try to keep these affairs before the public so as to have them understood. I realize that governments have to govern; I realize that steps have to be taken to that end. I realize that they cannot debate everything they are going to do in parliament. I know all that, and I wish to take a common sense view of it. At the same time, however, I suggest that there ought to be time to discuss the principles that underlie the actions which governments have to take, so that when action has to be taken it is not something which parliament has never had a chance to consider, and we are not left with a situation such as exists now, perhaps without anyone intending it, in which parliament is treated like a lot of little children playing in the sand. We really have no right except to come and be told what has been done. We have never,

except incidentally and accidentally, debated the principles involved.

Having said that, I should like to ask two questions. One of them comes under article XXIII of the treaty with Finland. Under that article it is stated that the Soviet union is abating a very considerable amount of its claim for reparations against Finland and is settling on the sum of $300 million. It would be of interest, if the figure were available, to indicate how much of a concession that is supposed to represent. Another question I wish to ask has reference to article XXX, section 1, subsection 1, which speaks of Finland's giving the unconditional most-favoured-nation treaty to all members of the united nations. Subsection 2 qualifies that to some extent, and I imagine reasonably, by declaring that these undertakings by Finland shall be understood to be subject to the exceptions customarily included in commercial treaties concluded by Finland before the war. It would be interesting if we could be informed in a general way just what is the situation under that clause, and to what extent trade with Finland is being facilitated or is progressing. Those are two questions I should like to have answered.

Mr. MACKENZIE KING: Mr. Speaker—

Mr. DEPUTY SPEAKER: Is the house ready for the question? If the Prime Minister speaks now he will close the debate.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The hon. member for Muskoka-Ontario (Mr. Macdonnell), who has just taken his seat, has asked two questions. One relates to the position of trade with Finland at the present time. I understand that the hon. gentleman wishes to know the extent of that trade and how certain matters are operating under the clause to which he refers. That is a question which the Minister of Trade and Commerce (Mr. MacKinnon) would be best qualified to answer, and I suggest to my hon. friend that he put the question on the order paper so that he may be given such information as it is possible to give, and which can be given only after consultation with the department. May I ask the hon. gentleman what the other question was?

Mr. MACDONNELL (Muskoka-Ontario): The extent of the concession made in the treaty with Finland.

Mr. MACKENZIE KING: That, I am sorry to say, I am not in a position to answer, and I do not know of anyone who is. It is one of those questions which it is legitimate to ask, but which I do not think can be satisfactorily answered by any of the parties concerned.

The hon. member for Peel (Mr. Graydon) made a special appeal to myself regarding the desirability of referring these treaties to the committee on external affairs. I do not take exception to any treaty being referred to the committee on external affairs; indeed I think it is an advisable course to follow. But I would ask my hon. friend, since the treaties have been before the house for four months, why he did not make the suggestion some time ago. Had he made that suggestion some time ago, I would have been the first to agree to it. I may say to my hon. friend that, as his leader will recall, as well as the hon. member who is acting for the leader of the C.C.F., and the leader of the Social Credit party, at the meeting recently with the leaders of the different parties I asked the opposition leaders to be kind enough to let me know what matters they would like to have brought forward so that they might be debated at once and not left to the end of the session. There were one or two matters which it was suggested should be brought forward without further delay. My recollection is that the old age pensions bill and the bill of the Minister of Labour were mentioned. I agreed that they would be brought forward within the next day or two, and they were brought forward at that time. I have been waiting for further suggestions. If this matter had been mentioned as being one which hon. members opposite were interested in having considered by a committee I would have been the first to say: We will arrange for it tomorrow. That would have been a very simple matter.

May I say that I would be agreeable to referring the treaties referred to in the resolution to the committee now, if there were any possibility in the world of the committee making any recommendation other than that which is set forth in the resolution now before the house. I think it is most desirable that hon. members should fully appreciate just what the resolution means. The resolution is to make it possible to put an end to a state of war which exists between this country and Italy, Finland, Roumania and Hungary. Is there an hon. member of this house who wishes to have a state of war continued between Canada and those countries? That is the whole point.

Mr. GRAYDON: It goes much farther than that.

Mr. MACKENZIE KING: In what way?

Mr. GRAYDON: Because the full peace treaties are to be approved. It is not just a question of the termination of war.

Mr. MACKENZIE KING: That is the only way in which the state of war can be ended.

Mr. GRAYDON: No.

Mr. MACKENZIE KING: My hon. friend may have his views; but I submit that, when you have gone through the process of peace-making and arrived at the stage where the several nations involved have signed treaties, unless you are going to reverse everything which has been done or upset everything which has been done and start all over again, the only choice left to you is to approve the treaties as they stand. From what has fallen from the lips of hon. members opposite, my hon. friend included, I should say there is not one member of this house who would wish to defeat the resolution approving these treaties. They may not like what is in the treaties. I myself was one of those who spoke most strongly against the way in which these treaties were brought into being. After Canada had taken the important part she had taken in the war for freedom. I protested that she had not been given a chance even to have a word with respect to these all-important treaties until they were placed before the conference in a more or less complete form by the council of foreign ministers, which was the body which had been agreed to by the great powers as the one which should take up the work of settlement at the outset. All of us in this house, I think, have already expressed ourselves very strongly; I think I might go so far as to say we have resented that these arrangements should have been made in the way they were. But I have always taken the view that if when the arrangements were made we had all known the circumstances under which they were made, perhaps none of us would have subsequently sought to alter the situation. No one will ever know what Mr. Churchill and President Roosevelt and others who were associated with them in some of the conferences had to consider as to what it was wisest to do at a particular moment. I am sure that some of the things they did, they did because of stern necessity and for no other reason; and some of the things which we have had to accept would never have been thought of for a moment and would have been resisted to the limit had it not been for the fact that everything considered, and with the war raging, what was done seemed to be the best course to be taken at the time.

Like the hon. member for Muskoka-Ontario, I have tried to act in a reasonable way. I have tried to look at this thing in a realistic light and ask myself the question whether it will serve any good purpose to try, at this particular time, to find fault with arrangements which were made during the time of the war, and with regard to proceedings over which we had no control whatever. I will say that, if there was a possibility of anything being done by the external affairs committee which would cause this house to change its view in the slightest particular in regard to what is in this resolution, I would be quite prepared to say now that it is not too late, although we are near the end of the session, to refer these treaties to the committee. But I know there is not. I know that all that might be discussed at the committee would not cause the committee to suggest one alteration in what is in the resolution before the house at the present time. In these circumstances I think it would be unwise to refer these particular treaties to the committee.

My hon. friend made one other point which I think has a good deal to it. He says that a discussion of these treaties would enable hon. members to learn a little more about the state of Europe at the present time and the difficulties which have developed since the treaties were signed, and might cause the house to consider with greater care whether later on these treaties should be ratified and the ratifications deposited. May I say to my hon. friend that I understand the committee on external affairs are to have a secret session in which they hope to discuss, and to get information upon, conditions in Europe at the present time which will give to the committee as full information as can be given by those who are informed in the Department of External Affairs. That information will be much fuller than could be given here, for the simple reason that there are some things in connection with the international situation at the present time which can be discussed privately, but which it would not serve the interests of the world at large to discuss publicly at the moment. With that opportunity made available, I think hon. members will be able to get such information at least as they would be searching for under this particular resolution, at least under reference of these particular treaties to a committee.

Mr. GRAYDON: May I ask one question?

Mr. MACKENZIE KING: Yes.

Mr. GRAYDON: Has it actually been decided that there is to be a secret session of the external affairs committee? If so, this is the first definite intimation I have had of it.

Mr. MACKENZIE KING: I have been so informed, and I thought credibly informed.

Mr. GRAYDON: I had heard it mentioned, but I had not known that it was decided.

Mr. MACKENZIE KING: I am giving my hon. friend this assurance on such authority as I have and which I take to be wholly reliable. I think my hon. friend may count on it. At any rate, if it has not been decided on, I see no reason why such a meeting could not be arranged even now. My colleague the Secretary of State for External Affairs says he thinks the meeting is tomorrow. He would perhaps be in a better position than I to be definite on that point.

However, my point is as to the wisdom of having discussion by the committee on external affairs of matters relating to the methods of bringing into being treaties of peace and the various questions that may arise in relation to procedure, in regard to terms and conditions and information generally. If this were the only chance there were for that kind of useful discussion, then I certainly would suggest to the house at once that we allow these treaties to go before the committee. But I think there will be plenty of other and much better chances. The hon. member for Muskoka-Ontario has mentioned the opportunity there is on the estimates of the Department of External Affairs. Those estimates have not yet been discussed. They will be discussed, and the opportunity will be given then for discussing certain of the matters which he and other members have in mind. I do not think there has been anything intentional in delaying the discussion of external affairs until the end of the session.

My hon. friend referred to the birthday party. If he will allow me to say so, I do not think it could have been my birthday party because my birthday comes in December and this was in August.

Mr. FLEMING: That was in December of 1945; the first session of this parliament.

Mr. MACKENZIE KING: I apologize; for the moment I had quite forgotten that birthday party.

Mr. MACDONNELL (Muskoka-Ontario): It was the only one of the Prime Minister's I had ever attended, so I remember it well.

Mr. MACKENZIE KING: I thank my hon. friend for his courtesy in attending that particular party, and I hope we may meet at other such parties in the future. However, what I did wish to say was that I do not think there has been anything intentional in delaying a discussion of these matters of international concern until the end of the session. I would point out that, from week to week, some question comes up which, in one way or another, is related to external affairs, and as these different matters arise they are discussed in the house. That has been so this session, and it has been true at other sessions. As far as I am aware there has not been any desire at all to hold back the estimates of this particular department. As I say, I asked the leaders of all the parties, when we had our meeting a couple of weeks ago trying to settle a plan for the business of the house for the remainder of the session, to be good enough to let me know what they wished to have brought forward, in estimates or anything else. I particularly remember that I used the word "estimates" and that I said: Tell us the items, and we will see that they are brought on at once. I hope that is enough to say on this particular point.

I must not conclude without saying how pleased I am that there is unanimity of view with regard to the wisdom of approving these treaties. Undoubtedly there is no question at the present time so serious as that of the reconstruction of Europe, and this will be one of the steps towards reconstruction. Let hon. members remember that, at the present time, there is an armistice, not only between all the countries named and Canada but between these countries and all the other associated and allied nations, and that, under the armistice, certain restrictions are imposed upon all these countries. Those restrictions are of a military character, of a political character and of a commercial character; and it is impossible for some of these all-important matters to be settled, and the economic reorganization of Europe to be effected, until these armistice restrictions are out of the way. Surely we are helping advance the cause of peace when we enact treaties of peace which will end a state of war and let us continue our discussions with other nations on the basis of peace.

Motion agreed to.

INTERNATIONAL REFUGEE ORGANIZATION

APPROVAL OF CONSTITUTION SIGNED AT FLUSHING MEADOWS, NEW YORK, DECEMBER 16, 1946

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs) moved:

That it is expedient that the houses of parliament do approve the constitution of the international refugee organization, signed at Flushing Meadows, New York, on December 16, 1946, and that this house do approve the same.

He said: The house will be interested to know that nineteen states have now signed the constitution of the international refugee organization. Since I tabled the constitution in this house on April 30, the governments of

Australia, Iceland, Belgium, Bolivia, the Argentine and Panama have signed the constitution in addition to the thirteen states which had signed prior to that date. Perhaps it might be well to place on record the list of those states who had signed at that time, in order to have the nineteen that have signed up to the present. The thirteen states which had signed prior to April 30 were: Canada, France, the United Kingdom, the United States, China, the Dominican Republic, Guatemala, Honduras, Liberia, the Netherlands, Norway, New Zealand and the Philippine Republic. Hon. members will remember that under the terms of the constitution it was not to come into effect until signed by fifteen states representing seventy-five per cent of the contributions allocated. The total contributions of these nineteen states to the operational budget would amount to 77·13 per cent. Therefore, if at least fifteen of these states whose total contributions are seventy-five per cent of the operational budget proceed to ratification, the constitution of the international refugee organization will, under the terms of article 18 thereof, enter into force. However, up to the present day only six of those nineteen states have deposited their instruments of ratification. They are the United Kingdom, New Zealand, Australia, China, Guatemala and Iceland, and the total assessment of these six states is only 19·51 per cent of the operational budget. But the United States is one of the governments which has signed the constitution; and the senate and house of representatives have voted in favour of a bill authorizing United States participation in the organization, which bill now only awaits the presidential signature. The United States contribution is 45·75 per cent, and that of Canada, 3·5 per cent, so I think there is every reason to expect that within a matter of days the minimum of fifteen ratifying states and seventy-five per cent of the operational budget will have been covered.

The preparatory commission of the international refugee organization is now meeting at Lausanne, and recently decided to undertake executive functions beginning tomorrow, July 1. In view of the end of UNRRA'S displaced persons' activities on June 30, it is essential that the IRO should be equipped to take over its work as soon as possible after July 1. The preparatory commission will have very limited funds and will be able to function only on a purely temporary basis pending the coming into force of the constitution of the organization. For this reason it seems to be of importance that ratification of the constitution of the international refugee organization be effected as rapidly as possible.

The constitution itself has been fully discussed in the standing committee on external affairs, and I do not wish to take up the time of the house by referring again to the functions the organization is designed to perform. There are some points, however, it may be of some advantage to mention again at this stage. The proposed budget of the international refugee organization is divided into two sections, administrative and operational. For the first financial year the provisional budget calls for the sum of $4,800,000, U.S. funds, for the administrative expenses and $151,060,500, U.S. funds, for operational expenses. Canada's assessment is 3·2 per cent of the administrative expenses, or $153,600, and 3·5 per cent, or $5,287,117, for operational expenses, a total of $5,440,717. Similar scales of contribution for the United States are, respectively, 38·89 per cent for administrative and 45·75 per cent for operational expenses. For the United Kingdom they are 11·48 per cent for administrative and 14·75 per cent for operational. The total United States contribution thus would amount to approximately $70,000,000, as against the figure of $5,440,000 for Canada. In addition to the assessment for administrative and operational expenses of the IRO, there is provision in its constitution for the raising of a sum of $5,000,000 by voluntary contributions from member states for expenses incurred in connection with schemes which may be undertaken by it for the large scale resettlement of refugees, as distinct from their resettlement as individuals or as family units. As contributions to this fund of $5 million will be on a voluntary basis, there is, of course, no scale of contributions. Mr. Jean Désy, Canadian ambassador to Brazil, has been acting as our representative at the meetings of the preparatory commission and has informed us that the next meeting of the full preparatory commission is scheduled to begin in Lausanne on July 15. At that meeting it is hoped that a sufficient number of ratifications to the constitution will have been received to make it possible for the organization itself to come into existence and to assume its executive functions.

In view of this, it would be encouragement to others to have it known as early as possible that Canada has ratified the constitution. For nearly eighteen months this problem of refugees has been fully discussed with the united nations. Canadian representatives have consistently taken the position that this great humanitarian problem can be dealt with only on a broad international basis. It is

not only at the present time a serious hardship for those who are in the displaced persons camps but a serious burden to the occupying powers to provide for them and to maintain life in those camps.

I believe the people of this country wholeheartedly endorse the view that it is an international responsibility to which all of us should make some contribution. The constitution of the international refugee organization cannot be said to be a perfect document. It represents the efforts of fifty-five nations to find agreement on a controversial political issue. Certainly there are clauses in the constitution which the Canadian government did not welcome and which our representatives unsuccessfully opposed in the committees and in the general assembly itself. Yet we have supported it because we believe it was the best compromise that could be achieved, and that if that one were not accepted and ratified there would not be any. If the united nations is to accomplish the job for which it was designed we, of course, have to recognize that the spirit of compromise is frequently called upon and forced to pretty extreme positions. But it was like the charter of the united nations itself, that one had to be taken or we would not have had any at all. Thus the constitution of the international refugee organization, after long consideration, had to be accepted, or there would have been none. We felt that, as it was, it was a valuable international attempt to solve a problem which was an international responsibility. I hope, therefore, that the house will give its approval to the ratification of the constitution.

Mr. GORDON GRAYDON (Peel): Mr. Speaker, before the resolution carries, I should like to identify this party in support of it. This constitution has had the advantage of having been before the committee on external affairs. While it was before that committee, officials of the department expressed their opinions freely and generously with respect to such information as members of the committee required from time to time. For that reason I believe there need not be in the house any great division of opinion with respect to having this constitution approved as quickly as possible.

It is particularly important that Canada should not be hesitant in a humanitarian problem of this kind. Important foundations for our future policy were laid at San Francisco, the first recent international conference in which this country participated. I believe people in Canada accept with some degree of pride the fact that in that portion of the charter of the united nations which deals with cultural and economic cooperation, perhaps more words were placed by Canadian delegates that by those of any other country in the world.

Mr. ST. LAURENT: Or several other countries combined.

Mr. GRAYDON: Yes, or several together. That is one of the features which would indicate the humanitarian trend taken by public opinion in Canada. It indicates, too, that Canada has been prepared in this field to place human values above property values, and to play its proper part in trying to do something for those needing help in other parts of the world.

In the constitution which has been placed in the hands of hon. members, I have noted with special interest the contributions therein set out. I believe the matter to which I shall now direct my attention, namely that of the percentage of contributions, was not discussed in the committee on external affairs, although similar discussion may have taken place in connection with it in another branch of the work of the department.

One point which will puzzle most Canadian people will arise in connection with these contributions. I am not for one moment suggesting that our contribution is too large, because I believe a suggestion of that kind would receive scant support. I believe, however, that there is at least a wide field for discussion of the contributions assessed against some of the so-called big powers.

The schedule showing administrative expenses shows that Canada would accept 3·20 per cent; France, 6 per cent; the United Kingdom, 11·8 per cent; the United States, 39·89 per cent and China, 6 per cent. Then I come to a big power which has a good deal to say and has made its mark across various countries of the world, sometimes very conspicuously. I refer to the soviet socialist republics, which apparently desire to indicate that the communist way of life is a great and very successful way. But it would not appear that it is so successful, if one were to judge from these percentages. If my memory serves me correctly, the percentages set out in this schedule are along the same lines as those made to the general united nations organization by these nations. That being so, it would seem to me that there must be some significance in the fact that Russia is assessed only 6·3 per cent, or not quite double Canada's assessment with only 12,000,000 of population.

I am not one who wishes to raise unnecessary questions because, after all, there may be sound reasons why the budget is made up in this way. I am not for one moment suggesting that there is any criticism to be attached to Canada, to any of our delegates or

to the government in connection with the present arrangement. I think, however, it does show one or two things. After all, as regards the system that has been held out to us so often as being a great system of government, if that is any indication of the success of that system with a country of 12,000,000 of population like Canada as opposed to a nation with a population of something like 150,000,000, when you take off some of the other republics, perhaps our system when it gets down to dollars and cents as a measure of success—and sometimes that is not to be disregarded as a measure—does show that this country has something to be thankful for. I believe that is an indication at least that some of the so-called big powers, when it comes down to making contributions to the united nations, do not compare too well with some of the so-called middle powers, including our own country. I only wanted to draw that to the attention of parliament and to the attention of the country at this particular time.

May I close my remarks with a word of caution. I have not the slightest criticism to offer at the moment in connection with this constitution, because I realize the urgency of the matter. It is now two years since Germany collapsed, and many people in these displaced persons camps have been leading a most unfortunate existence, an existence which only those who have seen their condition can appreciate. I should not like to see the united nations follow the practice which, I am afraid, too many nations are following, that of getting tied up too tightly in red tape. It may be difficult for Canada to say very much; all we can do is to raise our voice for reform in that regard.

I hope that this international refugee organization will not turn out to be just another nice looking organization on paper with a lot of fine speeches surrounding it and everybody getting worked up into great evangelistic fervour over the question of what is to be done for refugees and displaced persons. What must be done is for the nations to get together to try to solve this problem. Some nations will have to take more of these refugees than others. I do not think we can allow this constitution merely to stand without something being done, and being done in a hurry. I hope that this constitution with its many "ifs" and "whereases" will be better than some of the constitutions that have been passed.

That leads me to this one concluding remark. The united nations will have to take inventory in connection with these matters. The specialized agencies, of which this is one, are multiplying day by day. I have no doubt that many members of the government feel as I do, that we must see that we do not overlap in connection with these various activities. Here we have an international refugee organization being set up. It is to be a brand new organization with all the powers and controls and legal language and the like usually found in such an organization. Only last week it was announced that we were to make a contribution toward a post-UNRRA programme. Then we have in Paris the meeting of the Big Four which are trying to arrange for the economic rehabilitation and reconstruction of Europe. Then there is the international trade organization which is meshed into all this.

The economic and social council was set up to coordinate the work of these various organizations, commissions and so on, but this task may be almost too much even for that council. The public must be getting confused because of the many organizations that are being set up within the united nations. We must do something in connection with that. Canada perhaps is in an awkward position; but some day, if my prophecy is correct, there will be a day of reckoning with respect to these huge organizations of the united nations. As I say, an inventory will have to be taken to see that we are not becoming top-heavy in our international relations.

This was brought up in the committee on external affairs, and last fall the Secretary of State for External Affairs (Mr. St. Laurent) made a spectacular speech before the united nations in New York when he brought up the question of the control and supervision over the expenditures by these bodies. That was an excellent idea, because a considerable amount of unanimity had been demonstrated in the external affairs committee in this regard, so much so that the motion for concurrence in the report was adopted by the whole house. I was glad to see that the minister expressed our views in New York on that occasion.

For some reason or another the international field is beginning to get like the domestic field in a lot of nations. We are just building up one thing on top of another, and every time we build up we are faced with another financial obligation for the country or the people in general. I only wanted to sound that note of warning; I was not speaking in criticism of this organization whose work must be carried out in a hurry. If there are any faults in this constitution we shall have to let them go in the general belief that some action will be taken in connection with this matter in a practical way. But I just wanted these suggested reforms not to be lost sight of by the government or by parliament or by the people. As I say, there is

this top-heavy trend which, I am afraid, may interfere with the popularity of the united nations or might even undermine that organization which richly merits and deserves full support. That support may be forfeited if they do not keep within practical limits in connection with their constitutions, their general agencies and the organizations that are set up in the future.

Mr. F. E. JAENICKE (Kindersley): Mr. Speaker, since I am the only member of my group present in the house who was a member of the committee on external affairs, I think I should say just a few words on behalf of my party. With most of what the hon. member for Peel (Mr. Graydon) has said, I agree. I think Canada is playing a noble and important part in connection with the humanitarian aspects of the world situation at the present time. I wish also to endorse what the hon. member for Peel said with regard to the part which the Canadian delegates have played in drafting the constitution of the international refugee organization with which we are now dealing. It was another of those instances which have made the Canadian delegates famous in the united nations as fair dealers. I noticed this fact with much pride when I paid a visit for a few days last April to Flushing Meadows and Lake Success.

I may say that we discussed the constitution before the house very fully in committee. With respect to the criticism, if I may call it such, of the hon. member for Peel with regard to the apparent discrimination in the assessment of the different nations, I may say that we also discussed that, and the committee came to the conclusion that the division had been made on a fairly just and equitable basis, because, after all, if we consider some of these countries which do not contribute as much as or very little more than Canada we must realize that we have had no material damage in our country, while countries like Russia and China suffered considerably during the war in material damage.

Mr. GRAYDON: What about Great Britain?

Mr. MITCHELL: What about Great Britain?

Mr. JAENICKE: Her investment, production, economy, et cetera, are taken into consideration. We had that fully explained by the officials who came before us and by some of our members who were there when the assessments were made. I also think that at some time we might have to consider the question of enlarging the definition of a displaced person as it appears in this constitution. It depends upon the basis of the peace treaty. I venture to say that at some time we might have to consider those people who have been sent out of Czechoslovakia, sent out of those parts of Germany which are to be attached to Poland. Unless the German economy is set up in such a way that these people will find employment, we might have to include some of them within the definition of displaced persons.

However, as I say, we discussed the matter fully in committee and there we endorsed the constitution which is now before the house, and we shall do so at the present time.

Motion (Mr. St. Laurent) agreed to.

INTERNATIONAL LABOUR ORGANIZATION

RESOLUTION APPROVING AMENDMENT TO CONSTITUTION

Hon. HUMPHREY MITCHELL (Minister of Labour) moved:

That it is expedient that the houses of parliament do approve the instrument adopted at Montreal on October 9, 1946, for the amendment of the constitution of the international labour organization, and that this house do approve the same.

He said: Consequent on the dissolution of the league of nations and the entry of the international labour organization into official relationship with the united nations, it became urgently necessary to amend the articles of its constitution relating to membership, financing and procedure for future amendments. Therefore an instrument for the amendment of the constitution was adopted at the 1945 (Paris) session of the international labour conference and was subsequently accepted by the necessary majority of the member states, becoming effective on September 26, 1946. Canada's ratification was authorized by order in council P.C. 2914 of July 12, 1946.

At the Montreal session of the international labour conference last fall, the new instrument of amendment now before us was unanimously adopted and will come into force when ratified by two-thirds of the member countries including five of the eight members of chief industrial importance represented on the governing body of the ILO, of which Canada is one.

This instrument is designed to remodel the organization in the light of the experience gained in over a quarter of a century and to reequip it to discharge its responsibilities with greater efficiency.

The most important of the proposed amendments are designed to encourage wider implementing of the minimum labour standards embodied in conventions or suggested in recommendations adopted at the various ses-

sions of the general conference of the member states of the organization. Canada, like other federal states, has been faced up to the present with constitutional difficulties in giving effect to the provisions of many of these proposals, which come within provincial jurisdiction. One of these amendments, article 19(7), is therefore of particular interest to Canada. It requires the federal government to arrange for periodic consultations between the federal and provincial authorities with a view to promoting coordinated action to give effect to the provisions of such proposals. Another obligation is that fuller reports will be made to the international labour office as to the action taken or proposed to be taken by both the federal and the provincial governments on all these proposals.

Prior to the Montreal conference, the views of the provinces had been sought by the government on the proposed constitutional changes applying to federal states, and several of the provinces were represented at the conference by their ministers of labour or by their deputies.

Motion agreed to.

CIVIL SERVICE SUPERANNUATION

AMENDMENT OF ACT WITH RESPECT TO AGE OF RETIREMENT, ETC.

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

That it is expedient to present a bill to amend the Civil Service Superannuation Act by providing a new and extended definition of civil servant and civil service; changing the age of retirement; amending the conditions upon which contributions may be made to the superannuation fund and benefits paid therefrom; and by a comprehensive addition to the act covering temporary employees in the service.

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

Motion agreed to.

CANADA DAY

JULY 1—INQUIRY AS TO SUBSTITUTION OF WORD "CANADA" FOR WORD "DOMINION"

On the orders of the day:

Mr. A. P. COTE (Matapedia-Matane): I should like to direct a question to the leader of the government. How is it that on the eve of our nation's eightieth birthday the government has not yet proceeded to implement the expressed desire of this house to make July 1 Canada day, as it was intimated on August 12, 1946, by the leader of the government as recorded on page 4707 of *Hansard:*

The hon. member will have to trust that the house, the country and the government will consider—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. member knows the rules of the house. If he wishes to put a question it will have to be brief and to the point.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I think I should answer my hon. friend's question as to why the government in its arrangement of its work this session has not given precedence to the bill which my hon. friend introduced last session and which at that time received the support of this house. I would say to him that he has been here throughout this entire session. I think he knows as well as all hon. members that we have had a number of very important measures which have taken up a great deal of the time of the house. The first couple of months, if I recall rightly, were taken up in consideration of measures in regard to the retention of certain controls. Since then, other important measures have been brought forward, including the budget and resolutions based thereon, and we have not yet completed consideration of such measures as the Old Age Pensions Act, and matters respecting labour. My hon. friend has heard this afternoon the strongest protest from the other side of the house that we have not given the attention to international affairs that we should, which is one of the most important things in the world today. I can only say to my hon. friend his bill has not been lost sight of; that it is just one of these things that will have to come forward in due course, just when, I am sorry I am not in a position to say.

RADIO BROADCASTING

REFERENCE TO BRIEF OR REPORT OF G. C. W. BROWNE

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to direct a question to the Minister of Transport. Was the brief or the report made by Mr. G. C. W. Browne, commissioner of the radio division, in answer to Canadian Daily Newspapers Association and Canadian private broadcasters, seen by or submitted to the minister before presentation to the committee or delivery to the press?

Hon. LIONEL CHEVRIER (Minister of Transport): I do not know what my hon. friend is referring to; but answering his ques-

tion directly, I would say that the brief was not sent to me, nor was it handed to me, nor have I had anything to do with it, because that particular part of radio, or any part of radio, as a matter of fact, does not come under the jurisdiction of the Minister of Transport. The Minister of Transport has absolutely nothing to do with the operation or the administration of radio.

Mr. DIEFENBAKER: I do not think that answers the question. An official, the commissioner of radio, gave a statement. The answer illustrates the uncertainty when there are Three Tinkerers of Wellington street looking after radio.

Mr. CHEVRIER: The hon. gentleman knows quite well that the matter of radio administration does not come under the Minister of Transport.

Mr. GRAYDON: It is about time it came under one department.

Mr. CHEVRIER: That may be, but I am answering the question asked by the hon. gentleman and I am giving him the accurate answer.

BEEF CATTLE

HANDLING FROM FEEDERS—LIFTING OF CEILING OR EXPORT EMBARGO

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): I wish to direct two questions to the Minister of Agriculture. (1) Will the Minister of Agriculture tell the house whether or not the meat packers are at present refusing to buy beef from Alberta beef feeders? (2) If the meat packers are found refusing to handle beef from beef feeders, will the minister tell the house whether or not he will assist beef feeders now finishing beef in Alberta feed lots by some such measure as temporarily lifting the ceiling on beef or temporarily lifting the embargo on beef going into the United States?

Mr. SPEAKER: Order. I suggest to the hon. member that he put the question on the order paper.

Mr. BLACKMORE: Mr. Speaker, this is too urgent to wait for the order paper. I have asked these questions and I want a reply.

Mr. SPEAKER: The hon. member knows that, under the rules, when a question is asked before the orders of the day are called it must be brief and of urgency.

Mr. BLACKMORE: Mr. Speaker, the questions I have asked possess those characteristics, and I should like to get an answer.

[Mr. Chevrier.]

HOGS

PRINCE EDWARD ISLAND—RECOMMENDATION FOR BREEDING PURPOSES

On the orders of the day:

Mr. W. CHESTER S. McLURE (Queens): Mr. Speaker, this is the question, a copy of which I sent to you asking for your permission to ask it. A farmer from King's county, Prince Edward Island, who is raising good hogs, states as follows:

> We were pleased that you mentioned in the House of Commons about our excellent type of Yorks—

Some hon. MEMBERS: Order.

Mr. SPEAKER: I have no objection to the hon. member putting the question, but I would ask him not to make a statement.

Mr. McLURE: The second part of the statement was a nice compliment to the Minister of Agriculture, because the writer added:

> —and very pleased that hon. Minister Gardiner praised them so highly.

My question is this. Will the Minister of Agriculture recommend, to the hog breeders' associations, Prince Edward Island Yorkshire hogs for breeding purposes?

Right Hon. J. G. GARDINER (Minister of Agriculture): I said the other night that they were among the best in Canada, and that should be a good recommendation.

Mr. McLURE: That was the reason I asked this question, because this farmer, as I have stated, said he was greatly pleased with the remarks of the minister.

STATUTORY HOLIDAYS

SUGGESTED CELEBRATION ON MONDAY EXCEPT GOOD FRIDAY, CHRISTMAS AND NEW YEAR'S

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): I should like to direct a question to the Prime Minister. Owing to representations from the Peterborough businessmen's association, labour and industry, I would ask him this question: Would it not be more beneficial to everyone concerned if all state holidays, with the exception of religious holidays, such as Good Friday, Christmas and New Year's, were made automatically to fall on Mondays, instead of in the middle of the week?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I would have to give a good deal of thought before attempting to answer that question. It is one that is debatable. There are two sides to the question. That is all I can say at the moment.

GRAIN

MOVEMENT FROM LAKEHEAD TO MONTREAL—SHIPS AWAITING CARGOES

On the orders of the day:

Hon. LIONEL CHEVRIER (Minister of Transport): Last week the hon. member for St. John-Albert (Mr. Hazen) asked a question with reference to the amount of grain in the port of Montreal and whether it was adequate to supply cargoes for ships that were awaiting delivery. The information I have is that the railways are performing an excellent service in connection with the movement of grain. I am sure my colleague, the Minister of Trade and Commerce, will confirm this when I say that the request was made by the Canadian wheat board that we move 1,126 cars of wheat and grain daily and the railways have far exceeded that. The average for June was 1,360 cars. Grain is moving as fast as it can to lakehead ports. There are other points involved and I do not wish to go into them, but my hon. friend inquired about the movement, and from the point of view of the railways it is certainly well taken care of.

Mr. HAZEN: I understood that there were twenty-three ships which were held up at the time I asked my question.

Mr. CHEVRIER: Yes. There are at the present time some ships waiting to load wheat at St. Lawrence ports, but the United Kingdom government have been kept fully informed as to available supplies and they understand that if ships were provided over and above the available wheat supplies they would be delayed in loading. All I can say is that sufficient wheat is being made available to meet all commitments, and the schedule as suggested by the wheat board is being fully lived up to.

CANADIAN NATIONAL RAILWAYS

DISMISSAL OF EMPLOYEES FOR REFUSAL TO WORK ON CORPUS CHRISTI DAY

On the orders of the day:

Hon. LIONEL CHEVRIER (Minister of Transport): On Monday, June 23, the hon. member for Chicoutimi (Mr. Gagnon) asked this question on the orders of the day:

(Translation):

Is there any truth in the report that some forty Canadian National Railways employees appointed to track maintenance in the Lower St. Lawrence district, namely at Rimouski, Sayabec, Mont Joli and surrounding parts, were dismissed for having refused to work on the feast of Corpus Christi?

Canadian National Railways inform me that on Saturday, June 7, an extra crew of eight men, consisting of five crew men and three section men, refused to work Saturday afternoon and were dismissed. Corpus Christi was celebrated on Sunday, June 8. The men were not forced to work on Sunday and were dismissed because they refused to work on Saturday afternoon. They have since submitted a petition to the superintendent and three section men as well as three extra crew men have resumed their duties.

(Text):

BUSINESS OF THE HOUSE

INQUIRY AS TO FURTHER LEGISLATION AND MEASURES NOT TO BE PROCEEDED WITH

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I ask this question at the urgent request of some members of our party, and I should be glad if the Prime Minister would answer it. We should like to know at this stage of the session whether it is the intention of the government to introduce any other legislation than that which is now on the order paper, and, second, whether there are any items of legislation on the order paper which the government may feel disposed not to proceed with this session.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have been trying to have each of my colleagues advise me whether he has anything further which he wishes to bring forward. I understand that, of what it is intended to bring forward, everything has already been mentioned, in the statement I made to the house some time ago. There are one or two measures I mentioned at the time that have not, up to the moment, been introduced, but apart from that I am not aware of anything the government intends to bring forward unless some emergency arises that cannot be foreseen at the moment.

As regards the other question, whether the government will wish to drop any of the measures, I would say at the present time that we should like to proceed with all of which notice has been given, but what progress we shall make will depend on the progress that is made from day to day. I should not like to say at the moment that there are any that will be dropped.

Mr. GRAYDON: Perhaps my right hon. friend will indicate tomorrow whether or not he does find that any other legislation will be introduced. I have asked the question because it would meet the convenience of members generally to have the information.

RATIONING IN BRITAIN

REPORTED REDUCTION OF IMPORTS INTO UNITED KINGDOM—EFFECT ON CANADIAN EXPORTS

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I wish to direct a question to the Minister of Trade and Commerce arising out of a statement made in the British House of Commons today by Hugh Dalton, chancellor of the exchequer, to the effect that Britain must meet a severe shortage of dollars by slashing her dollar import of newsprint, tobacco, gasoline and some items of food which might include basic rations. Has the Department of Trade and Commerce been advised whether or not this ration will affect certain of our exports to Britain?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): The answer is no.

Mr. GRAYDON: You mean you have not the information, or is it "no" to the question?

UNITED NATIONS

ACCESSION OF CANADA TO CONVENTION ON PRIVILEGES AND IMMUNITIES

The house in committee on Bill No. 272, to provide for privileges and immunities in respect of the united nations and related international organizations—Mr. St. Laurent—Mr. Golding in the chair.

On section 1—Short title.

The DEPUTY CHAIRMAN: Shall section 1 carry?

Some hon. MEMBERS: Carried.

Mr. BLACKMORE: Just a minute, Mr. Chairman. Let us not have a runaway on this matter.

An hon. MEMBER: Is that a threat?

Mr. BLACKMORE: It is a request for the privileges of a member of parliament to be recognized. It is high time that the Speaker and various other people began to recognize that members in this house have rights. I should like to make a comment or two with respect to this bill before it goes very far in committee, although I do not desire to delay the committee overmuch on the matter. I have already said that I believe the bill is not a good one and that it should not be passed until we know a good deal more about its implications. Will the minister tell the committee whether or not the passage of this bill commits Canada more fully to the united nations than she would be committed if she did not pass it?

Mr. ST. LAURENT: Perhaps the hon. member will allow section 1 to pass and then put his question on section 2, because section 2 provides for the accession of Canada to the agreement, and I think that is what the hon. member has in mind. His question would be quite relevant to section 2, whereas it might be difficult to make it relevant to section 1, which is just the short title. Is that agreeable to the hon. member?

Mr. BLACKMORE: I have no desire to be uncooperative, but the minister told the house he would be quite willing to permit us to ask a good many questions and to give us considerable latitude in committee on this bill. If he is quite willing that such latitude be granted on section 2, that will be quite satisfactory to me. I should like to ask him several questions and to make some comments.

Mr. ST. LAURENT: I should not like the hon. member to understand me as granting anything. I told him that, under section 2, I thought practically the whole matter could be gone into as of right, because it is relevant to section 2. That is my construction of it; but, of course, like the hon. member himself, I am bound by the rules of the house. I cannot change the rules. I think the question my hon. friend asks and any question along that line will be perfectly relevant to section 2.

Mr. BLACKMORE: The minister will remember that on June 6 we asked pointedly if we could have considerable latitude.

The DEPUTY CHAIRMAN: Order. Section 1 simply deals with the short title. Shall the section carry?

Mr. BLACKMORE: Before section 1 carries, Mr. Chairman, I should like to have you tell us whether or not you are going to grant us, under section 2, that latitude which we were promised on June 6. There was a specific promise made then.

The DEPUTY CHAIRMAN: Order.

Mr. ST. LAURENT: I think the hon. member is mistaken. I made no promise to grant any latitude. After the matter had been disposed of and had been referred to the committee, I went to the hon. member and told him that, on my construction of the rules, when we got to section 2 of the bill all these matters would be relevant, because section 2 provides that the governor in council may authorize the accession of Canada to the convention on the privileges and immunities of the united nations. I told the hon. member that I thought it would be quite relevant for

him then to discuss whether we should implement the undertaking we had made in the charter.

Mr. BLACKMORE: What I have reference to is not what the minister said to me after the house had closed that day, but rather to what was specifically stated at page 3892 of *Hansard*. That was my only concern. I have no desire to be uncooperative, but I want the privilege of asking some questions.

The DEPUTY CHAIRMAN: Order. I think if we follow these sections, as we are supposed to in discussing a bill, and deal with the sections as they are, we shall get on better. As I have repeated on so many occasions, every speech in committee must be relevant to the section under discussion. This section 1 is simply on the short title, "This act may be cited as The Privileges and Immunities (United Nations) Act." That is all that is in that section. Shall it carry?

Mr. BLACKMORE: There is just one point about it. After having been in this house for a long time, the Chairman knows very well that on section 1 of a bill a wide range of latitude is usually permitted in the asking of questions.

Mr. ST. LAURENT: That is not according to the rules. May section 1 stand? I think the hon. member will get everything he wants on the appropriate section. I do not think we should persist in the statement which is being made from time to time, that on section 1 of a bill in committee wide latitude is granted. There cannot be anything granted. I would be perfectly prepared to have section 1 stand. I think he will find that everything he wants to do will be perfectly relevant to section 2 or the other sections of the bill. We can come back to section 1 then, if he has not had satisfaction.

Mr. BLACKMORE: That meets with my complete approval.

The DEPUTY CHAIRMAN: There is something more to it than that. I think it is about time that members of the house realized that there is no rule which provides for general discussion on the first section of a bill. There is no rule which provides for a discussion on the principle of a bill when it is sent to committee. The principle of the bill is discussed and decided on second reading. If hon. members will look up the rules, they themselves will find that is so. As I said before, I have been in this house for a good number of years and have sat on both sides of it. To my knowledge, every chairman who has presided here has taken exactly the same position as the one I am taking now and have taken from time to time. There is no authority for any chairman to take any other position. I will simply put this question to hon. members: Under what rule can there be general discussion, for instance, on this first section which deals only with the short title? I say that this house could speed up the business by simply observing the rules, which the Chairman is bound to draw to the attention of hon. members, and deal with the sections one by one, as they come up.

Mr. STIRLING: This is somewhat in the nature of a point of order, Mr. Chairman. I would draw your attention to the fact that, although what you have stated with regard to there not being a rule which permits general discussion on section 1, may be correct, it has been the custom which has grown up in this house over many years, and of which the party now in power, made considerable use when in opposition. I could cite a good many instances to that effect. If it is a matter of convenience to the house; if it is something which will not unduly delay the passage of the measure, I suggest to you, Mr. Chairman, that it would be a wise thing to take some note of this precedent which has grown up.

The DEPUTY CHAIRMAN: No. I quite agree with my hon. friend that when the Liberals sat on the opposition side of the house, they took the same position as some hon. members are now taking; but in every case the Chairman had to rule that it was not in order, that members must deal with the sections under consideration. That is standing order 58. I do not need to quote it again. Every speech must be relevant to the section under discussion. We are considering section 1, the short title. I repeat, the Chair is placed in an awkward position by having to draw the attention of hon. members to the rules, which I believe will help promote the business of the house. Then I am confronted with some idea that section 1 gives unlimited ground to cover everything. That is not so, and all the rules are against it; but we need not waste time in debating that point.

Mr. BLACKMORE: It is agreed that section 1 shall stand, is it not?

Mr. ST. LAURENT: Stand.

The DEPUTY CHAIRMAN: If that is the wish of the committee; but there is no good purpose served by doing that. We will put it up to the committee. Shall section 1 carry?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: Stand.

The DEPUTY CHAIRMAN: I am going to ask for the yeas and nays on this.

Mr. BLACKMORE: It is impossible to carry a section unless everyone agrees.

Some hon. MEMBERS: No.

Mr. BLACKMORE: That is the usual understanding, and when no one has anything more to say the section carries.

The DEPUTY CHAIRMAN: Shall section 1 carry?

Mr. BLACKMORE: The minister said it was agreed that section 1 should stand. If you do not desire to destroy the rules of this house utterly, Mr. Chairman, you had better let the section stand and move along; otherwise it will be impossible to conduct the affairs of this house.

The DEPUTY CHAIRMAN: If it is the wish of the committee that section 1 should stand, that is satisfactory to me.

Section stands.

On section 2—Accession to convention by governor in council.

Mr. BLACKMORE: I want to ask the minister on this section the question I asked a few moments ago. I should like to know whether or not the passage of this bill will commit Canada more securely to the united nations organization than is the case at the present time, before the bill passes.

Mr. ST. LAURENT: No, Mr. Chairman. I would say Canada is no more firmly committed than before the passing of this bill, because Canada has already undertaken that the united nations should have the immunities required to carry out the purposes for which the organization was formed. Less than an hour ago the house unanimously gave its approval to the international refugee organization, which in article 13 states:

> The organization shall enjoy in the territory of each of its members such legal capacity as may be necessary for the exercise of its functions and the fulfilment of its objectives.
>
> 2. (a) The organization shall enjoy in the territory of each of its members such privileges and immunities as may be necessary for the exercise of its functions and the fulfilment of its objectives.

This is a statute to provide that the governor in council may authorize the accession of Canada to the document which was drawn up, to set out in detail the immunity and privileges deemed to be necessary to permit the united nations and associated organs to carry out the purposes for which they have been formed. So it does not seem to me that we are committing Canada any more than Canada is committed at the present time. Article 105 of the charter of the united nations, to which Canada is committed, states:

> 1. The organization shall enjoy in the territory of each of its members such privileges and immunities as are necessary for the fulfilment of its purposes.

Paragraph 3 provides:

> 3. The general assembly may make recommendations with a view to determining the details of the applications of paragraphs 1 and 2 of this article or may propose conventions to the members of the united nations for this purpose.

The general assembly proposed a convention, and that is the convention annexed to Bill No. 272. The purpose of the bill is to authorize Canada to accede to the convention. If Canada does so, with such reservations as are made, then we shall have a precise determination of what are the immunities and privileges regarded as necessary to enable the organization to fulfil its purpose. If we do not accede to the convention we still have the obligation in general terms, but we have not the details set out in the convention. Therefore I say we do not commit Canada any further. We dot the i's and cross the t's in the undertaking which we have already given, and which we gave again in connection with an associated organization this very afternoon when we approved the constitution of the international refugee organization.

Mr. DIEFENBAKER: Personally I cannot see that the application of the united nations to Canada would be any greater by the adoption of this bill than has been the case heretofore. What it actually does, as I see it, is to carry into effect, into the world of the united nations, the immunities that ordinarily follow diplomats. If I read the history of diplomatic immunity correctly, however, the tendency in the last twenty years has been to restrict those immunities as far as possible. I did some reading on the matter, and found that the first general law on immunity, as far as Great Britain is concerned, goes back to the reign of Queen Anne. The Russian ambassador in England having been arrested, strong objection was taken by the Russian government, which resulted in the passing of the diplomatic privileges act of 1708, providing for diplomatic immunities which have been continued since that time. But on a reading of the Encyclopaedia of Social Sciences of 1932, one conclusion stands out. In view of the increasing number of the staff of the secretariats connected with the then league of nations, the tendency was to restrict diplomatic immunities in general as far as possible.

One can understand that, having regard to what took place in Ottawa less than two years ago, as revealed by Mr. Gouzenko. Persons enjoying diplomatic immunity by reason of their position actually enjoyed immunity from prosecution, which enabled them to carry on their work of seeking to undermine the state to which they had been accredited. However I rose for the purpose of finding out just how this will apply in one individual case, that of Mr. John Grierson. I am not going to place upon *Hansard* anything that will cause harm to anyone, but Mr. Grierson's position was this. He endeavoured to enter the United States and was denied a visa. He was granted a 29-day visitor's permit, which he utilized from time to time. Why the United States authorities refused to grant him a visa I am not going to say, but they took that stand; and information has been given to me as to the reason that visa was refused.

Then, Mr. Grierson went abroad and received an appointment from the British government to the Paris conference as technical adviser on film matters to the British delegation. By reason of that position he received certain immunities from the Canadian government. I rise to ask the minister this question: If the bill in its present form is passed, will Mr. Grierson now be able to enter the United States, regardless of the wishes of the United States, and whether or not he receives a visa from the authorities of the United States?

Mr. ST. LAURENT: The question is: Would Mr. Grierson be allowed to enter the United States if the United States adhered to this convention?

Mr. DIEFENBAKER: And Canada passes it.

Mr. ST. LAURENT: And regardless of the wishes of their immigration authorities with respect to the visa. I did not understand from the statement made by the hon. member that Mr. Grierson had ever become an official of the united nations. This will apply only to officials of the united nations or to officials of agencies in relation with the united nations, and would not apply to one who was accompanying the British delegation as an adviser, as I understood the hon. member to say. I understood him to say that that was the position Mr. Grierson occupied and that he had gone to France.

Mr. DIEFENBAKER: Has there been no adviser on film matters.

Mr. ST. LAURENT: I do not know of any organization which has to do with films and which has become a related organization with the united nations.

Mr. DIEFENBAKER: Does he not today hold a position in the united nations?

Mr. ST. LAURENT: Perhaps he does; I do not know. If he were an officer of the united nations organization and the United States congress had authorized the accession of the United States to this convention, he would then be admitted without the ordinary immigration visa being required.

Mr. DIEFENBAKER: Has any question been raised in this connection? Has the minister any correspondence regarding Mr. Grierson in this regard?

Mr. ST. LAURENT: No; and the question the hon. member submits is not one that would concern us at all. It would concern the entry of Mr. Grierson into the United States. That would be something wholly within the concern of the United States authorities. I do not see how we can be concerned in any way, and I know of no correspondence in connection with the matter.

Mr. DIEFENBAKER: Yes, as technical correspondence with the minister's department regarding Mr. Grierson's right to enter the United States?

Mr. ST. LAURENT: Well, I shall inquire; none has been brought to my attention. There has been nothing brought to my attention. There was a question which arose some time ago about Mr. Grierson, and at that time there was nothing. Nothing has been brought to my attention since.

Mr. BLACKMORE: Supposing this same Mr. Grierson with the record he has established, should be appointed to the united nations and should come to Canada, Canada would be utterly unable to keep him out or control him while here; is that right?

Mr. ST. LAURENT: I think Canada would probably be unable to prevent Mr. Grierson, as a British subject, from coming here, unless our immigration authorities took the position that he was likely to become a public charge.

Mr. DIEFENBAKER: There are other reasons under the law.

Mr. ST. LAURENT: That is the state of our immigration law. Citizens of the United Kingdom, of the other dominions, of Newfoundland and of the United States have always been free to come here, unless our immigration authorities took the position that they were likely to become public charges. I know of no other reason. Of course we can deport a man who has come here if he makes himself objectionable in the manner described in the Immigration Act. There is a provision in that act which prevents the admission of

those who advocate the overthrow by violence of constituted authority. But I do not know that anything of that kind has ever been asserted against Mr. Grierson.

Mr. DIEFENBAKER: Now, just to carry this a step further: Mr. Grierson is appointed by the Canadian government to one of the administrative positions within the ambit of this measure.

Mr. ST. LAURENT: Oh, no.

Mr. DIEFENBAKER: Well, supposing he were?

Mr. ST. LAURENT: That supposition will have to suppose a government other than the one in office.

Mr. DIEFENBAKER: Well, for a long time he certainly was in the favour of this government. Why does the minister say that? Has there been some reason for a change?

Mr. ST. LAURENT: Mr. Grierson is not today, and there has never been any contemplation of appointing him to one of the functions of the united nations. The question has never arisen.

Mr. DIEFENBAKER: Let us take a hypothetical case. One A, who is not wanted in the United States, and to whom United States authorities have refused to grant a visa, is appointed by Canada to one of the positions either in the united nations or one of its agencies. Would such a person then be allowed to enter the United States, regardless of the wish of the authorities of that country?

Mr. ST. LAURENT: Mr. Chairman, I do not want to evade the question. I shall answer the question as if all the premises contained in the question could be realized. I would say yes, that he could get in. But the hon. member is making a mistake. Members of the united nations do not make appointments of the officers. It is the united nations organization itself that makes the appointments. A question was submitted by, I believe, the hon. member for Wetaskiwin about a Mr. Ryan who was supposed to be in the employ of the united nations, and I inquired. The members do not even recommend the appointments. They are made by the secretariat on its own responsibility.

Mr. DIEFENBAKER: I thank the minister for the explanation. I am interested in the statement he made a minute ago, that one thing which would never happen was that Mr. Grierson would get an appointment from this government, because—

Mr. CLAXTON: He did not say that.

Mr. DIEFENBAKER: —I recall that at the Paris conference Mr. Grierson was nominated to be director or executive secretary, and at that conference Mr. Grierson had the support, among others, of the Canadian and Australian delegations. I suggest that to the minister by way of answer to what the minister said.

Mr. CLAXTON: You are not answering anything, because the minister did not say what you said he said.

Mr. DIEFENBAKER: After all, the minister can speak with just as much authority as can my hon. friend.

Mr. CLAXTON: Yes.

Mr. ST. LAURENT: The record will speak for us all, and the record will show that I was denying that that was an appointment to be made, because the matter had never come up and there had never been any suggestion that it was going to be done.

Mr. MacNICOL: When or if any representatives of the united nations are admitted under these regulations, do they have to conform to the laws of Canada?

Mr. ST. LAURENT: They have to conform to the laws of Canada with respect to the ordinary conduct of persons passing through Canada. They would be in the same situation as diplomatic personnel.

Mr. MacNICOL: A Belgian consul picked me up in Brussels when I wanted to go to Vimy Ridge and he drove along at about seventy-five miles per hour. I told him that I thought he was going over the speed limit, and he said, "Do you not see the consular flag on the front of my car? There are no laws relating to speed that apply." I should like to know if any of these officials who are driving motor cars through Canada will be subject to our speed regulations.

Mr. ST. LAURENT: The question has arisen with respect to diplomatic personnel, and representations are usually made to the head of the mission if anything contrary to good conduct occurs. So far we have had no trouble, because the heads of missions are usually careful to see that their personnel do not offend the citizens of the country to which they are accredited. I should not like to give a legal opinion as to what would happen if we took the matter to court, but that is the practical way in which it is worked and that practice has given satisfaction.

Mr. DIEFENBAKER: The Minister of National Defence rushed in so fast a moment ago and displayed a rather unusual interest in this subject. Since he has chosen to say

what the other minister intended to say, I should like to ask him if, after Mr. Grierson retired from the film board and attempted to get a visa to the United States, he tried to get Mr. Grierson that visa?

Mr. CLAXTON: The suggestion implied in my hon. friend's remarks is most improper to the discussion here, but I am quite ready to answer him now and say at once, no. I must say that I think these remarks about somebody who is not here to defend himself and who has a distinguished record of service in three countries of the commonwealth are most unfair. I know nothing of anything that could be said or insinuated or charged against him in any field of activity. What I intervened to say was not to say what the minister intended to say, but to suggest to my hon. friend that he had not said what my hon. friend said he had said.

Mr. GRAYDON: We have an increasing number of people who will come under these broad privileges and immunities. I want to follow up what I said in a previous debate today, and I think what I say now will tie in or dovetail with the remarks I made then. We have increased month by month the organizations and related agencies of the united nations to a point where, if the accelerated pace is maintained and we continue to grant these immunities and privileges, we may find ourselves at a point far beyond where we thought we would go when the San Francisco charter was signed.

That is no reason for Canada welshing on her obligations in any way so far as the charter of the united nations is concerned. I have no desire this afternoon to oppose this particular bill on that ground, but I think the public ought to know and the government ought to be warned that there is a limit to the distance this country will go in support of this line of reasoning. If we increase our related agencies to the extent where it now looks as if they are to be increased, the Visiting Forces Act which concerned hon. members a short time ago will not be anything compared with the immunities and privileges given under this particular piece of legislation.

As I say, Canada has no intention of reneging on her international obligations. This country could not afford to do that. But I think my argument in an earlier debate today is supported. I said then that we had to call a halt at some time to the trend of increasing international organizations. I do not suppose the minister has any idea of how many people a nation could send into this country for perfectly lawful purposes. I do not suppose there is any way whereby the government could stop a country which might be outwardly friendly, but inwardly something else, from sending in a great body of people who would enjoy immunities and privileges not enjoyed by loyal Canadian citizens.

Our citizens will stand for a certain amount of this, but there has to be a halt at some time. If we establish in this country immunities and privileges for a great number of people; if the average citizen of Canada sees that these people enjoy special rights in our courts and in other respects, they will say, and they will say it pretty quickly, "Why should I enjoy lesser privileges than the people who belong to another country?" As I say, we cannot be small or picayune about this thing, and I am not raising it for that reason at all. I think the minister and the government are perhaps as much concerned about it as we are over here. I am sure they would not want a situation to arise which would look ridiculous in the eyes of the Canadian citizens. They will want to know what this parliament has been doing behind their backs and why it has attempted to put this class of people in a more preferred category than loyal Canadian citizens.

Mr. ST. LAURENT: I thank the hon. member for the warning. This applies to the united nations, and the immunity granted is granted only to officers of the united nations exercising functions here or travelling to and from the place of meeting. That would not allow any nation to send substantial numbers into this country on any other pretext than travelling from one point to another in the country in order to get to the place of meeting. The matter might have a much more serious aspect if the headquarters were in Canada instead of in the United States of America. The immunities with respect to the specialized agencies will apply only to those to which Canada belongs.

Mr. GRAYDON: She belongs to them all.

Mr. ST. LAURENT: She belongs to those in which membership has been authorized by the houses of parliament.

Mr. GRAYDON: She belongs to them all really.

Mr. ST. LAURENT: She belongs to these which have been established; she will belong to the IRO as soon as that is completed; she belongs to the ILO, and there are others in process of formation.

Mr. BLACKMORE: And UNESCO?

Mr. ST. LAURENT: I shall be coming before the house in a short time with a matter concerning UNESCO, and I shall be glad to have my hon. friend's views upon it. I am sure that he will wish them to be placed on *Hansard*. The hon. member realizes what the situation is. The general undertaking has been made. It is being made precise in this convention, and it will apply to such specialized agencies as the houses of parliament authorize Canada to belong to. The hon. member says that means them all. It does at the present time mean all those that are functioning, and we shall, I think, go on; I hope we shall go on for a long time believing in the international organizations.

Mr. BLACKMORE: That is what will happen.

Mr. ST. LAURENT: I hope we shall continue for a long time to believe in them. I hope they will be such that we can afford to believe in them; but when it comes to the point where we come to the conclusion that they are more costly than beneficial the houses of parliament will then express that opinion, and whatever government is in office will have to act accordingly.

At six o'clock the committee took recess.

After Recess

The committee resumed at seven o'clock.

The DEPUTY CHAIRMAN: When the committee rose at six o'clock we were dealing with clause 2. Shall the clause carry?

Mr. BLACKMORE: When the committee rose we were giving some attention to the various widely ramifying branches of consideration into which this united nations subject might lead us through the passing of this bill to grant immunities. I think the hon. member for Peel gave the committee some sobering thoughts when he expressed the ideas I understood him to convey, that when the united nations organization was accepted at San Francisco in 1945 no one had the slightest idea how far it would branch out. Every member of this house who voted for the united nations organization in December, 1945, is, I believe, in the same position.

I believe it is the right of the Canadian people in the country generally who read *Hansard* to know something of the scope which this bill takes in. The newspapers are saying nothing about it; the radio is saying nothing about it, as far as I can make out; the people just do not know what is involved. I should like to devote a few moments to the consideration of some of the things into which this bill can lead us with respect to men who have immunities similar to the one which the hon. member for Davenport referred to this afternoon. A man might be able to break the traffic rules with immunity and impunity.

In the first place, we are granting immunities to all the specialized agencies of the united nations organization. I think everyone will agree with that. The minister referred to several of these before he took his seat at six o'clock. May I list the ones he gave us on June 6 when discussing the matter. First of all, there was the international labour organization. Then there was FAO and UNESCO and the international civil aviation organization, the international telecommunication union, the universal postal union and the world health organization. The minister was not quite sure whether he could accept the Bretton Woods proposals as coming under these united nations agencies.

I think it is fitting that we should give some attention to the possibility of Bretton Woods being one of these agencies. I do not wish to detain the committee, but there are matters concerning which the people have a right to be informed. The minister suggested on June 6 that the international trade organization would be one of the specialized agencies in all probability. Then there is the refugee organization to which we have just agreed today. There are probably others.

No one in the house, the minister least of all, would suggest that there might not be other specialized agencies. I might say, by the way, that the Bretton Woods agreements I regard as one of the most dangerous of these specialized agencies, and with regard to the Bretton Woods proposal, I think the members of the committee will be interested in a speech which was sent by President Roosevelt to the United States congress on February 12, 1945.

Mr. ST. LAURENT: Perhaps the hon. member will permit me to say this. I think he knows I am not trying to prevent him from making his points, but the specialized agencies are dealt with in the following section, section 3. That is the one under which the monetary fund or the international bank can be brought into the scope of the convention.

Mr. BLACKMORE: I thank the minister. I shall be happy to discuss it then.

Mr. ST. LAURENT: If it suited the convenience of the hon. member, section 2 might be passed and section 3 called. That deals with the specialized agencies.

Mr. BLACKMORE: I shall be happy to cooperate with the minister in that respect. May I mention two other general headings with which I wish to deal, and the minister can tell me under which section I can discuss them. One is the special organs and the other is staffs?

Mr. ST. LAURENT: The staff of the organs?

Mr. BLACKMORE: It is not specified, but in article 101 mention is made of staffs which can be appointed by the secretary general, and I should like to discuss that question. Under what section shall I do so?

Mr. ST. LAURENT: Section 2 applies to the united nations and the officers of the united nations, and section 3 says that the same privileges can be extended to specialized agencies or their staffs, so that if the hon. member wished to speak of the officers of the united nations it would be under section 2, and the officers of the specialized agencies would be under section 3.

Mr. BLACKMORE: Then I had better deal with the staffs of the organs because, if I read aright, they are a part of the united nations.

Mr. ST. LAURENT: Perhaps the Chairman would allow us to deal with sections 2 and 3 together.

The DEPUTY CHAIRMAN: It is in order to deal with sections 2 and 3 if the committee so desires.

Mr. ST. LAURENT: That would make it quite in order.

Mr. BLACKMORE: That will please me. My object is just to get the facts before the people so that they will know beforehand where this is taking us. Shall I go on with the specialized agencies?

Mr. ST. LAURENT: Yes.

Mr. BLACKMORE: Then I will read this excerpt from President Roosevelt's message to congress in 1945, which indicated quite clearly the importance which he attached to Bretton Woods and his idea as to whether the united nations organization could function effectively at all without Bretton Woods. Before I read it, may I just draw this fact to the attention of hon. members and the people out in the country. When our representatives went to San Francisco they had the recommendations of two conferences to work upon. Those two conferences were the Dumbarton Oaks conference and the Bretton Woods conference. Of course, of those two, Bretton Woods constitutes one-half; so that to suggest that Bretton Woods would not become a specialized agency of the united nations would perhaps indicate a little bit of carelessness in thinking. Having said that, may I read the statement which President Roosevelt made in his message to congress. It is as follows:

> International political relations will be friendly and constructive, however, only if solutions are found to the difficult economic problems we face today. The corner-stone for international economic cooperation is the Bretton Woods proposals for an international monetary fund and an international bank for reconstruction and development.

I could refer to three or four other quotations from prominent United States statesmen of those days which, I believe, would establish beyond any question that Bretton Woods is designed to become one of the specialized agencies. Hon. members and the people out in the country will recognize that this is a long list of specialized agencies, and some of these specialized agencies have wide ramifications of their own. Take UNESCO, for example. That is one of the most nebulous and most generally indefinite organizations before us today. Nobody knows what the scope of the activities of UNESCO ultimately will be, or what influence it will be able to wield upon the very children who are in their cradles and growing up today; who will set the programme which it is going to teach, and what control we shall have over that programme. There are, a great many other specialized agencies which are capable of development. Take the international trade organization. I almost tremble when I think of the possibility of that organization when it is fully developed, because of the things I know concerning the objectives of the men who are working to build up that trade organization, particularly people in the United States administration. There are all those specialized agencies. Just to indicate how wide is the interpretation of these immunities in regard to specialized agencies, may I read a little passage from the Canadian Bretton Woods Agreement Act of 1945? It may be argued that Bretton Woods is not yet one of the specialized agencies, but I will venture to say that it will be. So that this little quotation of a few lines has particular significance in this discussion. Hon. members will notice that in article IX, section 8, of the Bretton Woods Agreement Act passed in this house in 1945, the following words appear:

> Immunities and privileges of officers and employees.
>
> All governors, executive directors, alternates, officers and employees of the fund

(i) shall be immune from legal process with respect to acts performed by them in their official capacity except when the fund waives this immunity.

It may be said that is only "in their official capacity", but I will wager that it will be utterly impossible for anyone to demarcate exactly what will constitute acts in their official capacity. The section continues:

(ii) not being local nationals, shall be granted the same immunities from immigration restrictions, alien registration requirements and national service obligations and the same facilities as regards exchange restrictions as are accorded by members to the representatives, officials, and employees of comparable rank of other members;

(iii) shall be granted the same treatment in respect of travelling facilities as is accorded by members to representatives, officials and employees of comparable rank of other members.

I feel that I should say one thing with respect to what the minister urged a few minutes before six o'clock; and it was a wise and fitting remark which he made. He said that where any man today enjoying immunities commits an offence, representations are made to the nation which he represents and of course they deal with him. That is a thing which could be expected from a nation. But let us bear in mind that, in the case of these gentlemen, we are dealing, not with people who represent nations, but rather with the people who represent international organizations; and their bosses, shall we say, or their employers, will not be anywhere nearly so circumspect or punctilious about the disciplining of their officials and employees. Consequently we shall not have available to us the means which we now employ to bring the representatives of nations into conformity with our laws and practices.

So much for the specialized agencies. May I now turn for a minute or two to another class of people who are to be granted immunities under this act. A few minutes ago I referred to organs. May I now read from the united nations charter in respect of these organs. At page 76 of the booklet which I have in my hand, "Report on the United Nations Conference on International Organization," in chapter III of the charter, article 7, we read regarding organs:

There are established as the principal organs of the united nations: a general assembly, a security council, an economic and social council, a trusteeship council, an international court of justice, and a secretariat.

That is a rather large order. Clause 2 goes on:

Such subsidiary organs as may be found necessary may be established in accordance with the present charter.

There you have room for a very wide development beyond what we already have.

[Mr. Blackmore.]

Surely this thing is a serious matter; it is far more serious than is the granting of immunities to the representatives of the nations of the world.

May I now turn to another aspect of the question, namely, the staffs. May I read again from the united nations charter, page 114 of the booklet on the charter that I have. Hon. members and the people out in the country will see another wide range of possibility. According to article 101:

1. The staff shall be appointed by the secretary general under regulations established by the general assembly;

Over which we have no control. Paragraph 2 of article 101 reads as follows:

Appropriate staffs shall be permanently assigned to the economic and social council, the trusteeship council, and, as required, to other organs of the united nations. These staffs shall form a part of the secretariat.

3. The paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence, and integrity. Due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible.

Inasmuch as the hon. member for Lake Centre raised the question of John Grierson this afternoon, I think it would be well for us to apply our thinking to this gentleman for a minute or two. Probably the reputation he has established is such that no one in Canada would be glad to know that this man was on one of the staffs or was on one of the special organs or one of the specialized agencies, with freedom to come and go in Canada as he saw fit. Yet, according to the wording I have read, it is a distinct possibility that this gentleman would be so selected by the secretary-general, for example, over whom no nation has control. And I think it fitting that I should read something about that secretary-general, just briefly, to show what wide powers he has and what powers he has for mischief in case he should choose to use them. It may be argued that he will not use his powers for mischief. It can be argued that a lion will not use its teeth and claws for damage, or that a serpent will not use its sting, but the wise person takes great precautions in such matters.

Mr. MacNICOL: A serpent does not have a sting.

Mr. BLACKMORE: Well, sometimes serpents have power to squeeze people to death, like the giant pythons. May I read just this word concerning the secretary general, and I am now quoting from article 97 of chapter XV of the charter of the united nations:

The secretariat shall comprise a secretary general and such staff as the organization may

require. The secretary general shall be appointed by the general assembly upon the recommendation of the security council. He shall be the chief administrative officer of the organization.

I should say a person would not be speaking extravagantly if he said the secretary general, if he happened to be the right man, could become the super-dictator of the world; and it would be simply impossible to do anything about the matter. Now I read article 98:

The secretary general shall act in that capacity in all meetings of the general assembly, of the security council, of the economic and social council, and of the trusteeship council, and shall perform such other functions as are entrusted to him by these organs. The secretary general shall make an annual report to the general assembly on the work of the organization.

Nothing very serious there, but I go on to the next article:

The secretary general may bring to the attention of the security council any matter which in his opinion may threaten the maintenance of international peace and security.

If I were free, if the Chairman would consider it in order, I could comment on those words in a way which I believe would make the ordinary person in this country seriously concerned. Now I quote article 100:

In the performance of their duties the secretary general and the staff shall not seek or receive instructions from any government or from any other authority external to the organization.

We feel happy about that, because we say no nation is going to control this secretary general.

They shall refrain from any action which might reflect on their position as international officials responsible only to the organization.

2. Each member of the united nations undertakes to respect the exclusively international character of the responsibilities of the secretary general and the staff and not to seek to influence them in the discharge of their responsibilities.

Already I think hon. members will have wondered this. Suppose some international organization such as communism, or certain other great international organizations which all hon. members can think of but which I shall not name on the floor of this house, gained access to this secretary general. Suppose they did the dictating or the advising of the staff in accordance with their desires, and enjoyed all the immunities which are to be granted to these gentlemen in this country. Why, Mr. Chairman, the situation is appalling. It almost reminds one of the coming of a flight of locusts. These people will be everywhere. There will be hordes of them. They will be in our restaurants; they will be in our trains; they will be in our post offices—

Mr. CROLL: They will be in our hair.

Mr. BLACKMORE: Yes, they will be in our hair. They will be in a position to listen to practically everything said in this country, a situation which will simply render freedom of speech almost an impossibility if the right people are in charge in the united nations organization. As I said the other day, the ordinary citizen of this nation will walk in fear and dread of the most hideous bureaucracy the mind of man has ever conceived; and this bill provides for the immunity of all these representatives so that they can perform at liberty, without fear of any kind of check this country could possibly exercise over them.

I think I have said enough on this matter at least to arouse anxiety. I would say, let us go forward with the greatest of circumspection. We can do harm the seriousness of which we may not dream. Just before six o'clock it was said by the minister that if we found these people were beginning to get out of hand—these were not the words he used—and were overstepping their bounds, we would have to do something about the matter. Well, Mr. Chairman, ordinarily if you want to kill a snake the best time to do so is when it is in the egg stage, not when it is fully grown. I dare venture to suggest that when this terrible bureaucracy which has been pictured in the passages I have read is once thoroughly fixed, with its tentacles in every single phase of our lives, economic, social, political and everything else, it will be a matter of impossibility for this house ever to pass a regulation in any way curtailing these gentlemen. No government would dare bring in such a regulation. We have seen that sort of thing already with respect to the united nations and Bretton Woods. All the government had to do was simply bring in those measures and the members of this house just fell like ten-pins. Let any ordinary member reflect on the attitude that was taken by members of this house, except for the Social Credit group, in the fall of 1945, when we were discussing the united nations organization and the Bretton Woods agreement. Would the members of the house tolerate any intelligent discussion of the matter at all? Not a word. Any question of the motives? Not a word. Would they permit me even to speak, as they are indulgently doing now? No, sir; there was a chorus going on; and hon. members who were here can remember that a whole body of men on the Liberal side were literally deriding every word I uttered. Why? Just because the members of the house had accepted this thing; because there had been a widespread, highly paid, skilfully worked up

propaganda going on in this country for three solid years to condition the country into readiness to accept the united nations organization and all its works, whatever it meant; and the Bretton Woods agreement, whatever it meant.

Already hon. members have found that the united nations organization is a disappointment. As a means of preventing war, as far as we can see today, as we approach the possibility of another calamity, it has no power at all; but in these dreadful aspects of it, these secret, hidden things as hinted in this bill, it has 100 per cent strength. They are right here in this measure we are passing. They will go on developing, whether the united nations ever does any good in preventing war. That is a very serious matter.

Then I think I should spend just a moment or two on the Bretton Woods agreement; I believe I shall still be in order. Has that agreement done anything in the world to improve the economic conditions of the world up to the present time? Not a thing.

Mr. MACKENZIE: It will.

Mr. BLACKMORE: Oh, yes; absolute implicit faith on the part of the minister.

Mr. MACKENZIE: That is what we need in this parliament.

Mr. BLACKMORE: I shall be glad to debate the matter with the minister in great detail. I shall be pleased to show him and this parliament that it is utterly impossible for the Bretton Woods agreement to do anything genuinely effective to improve conditions among men, and one of the best evidences of that is to be found in an article which recently appeared in Toronto *Saturday Night,* which stated that the loan granted to France was as I remember it only, about a quarter of what France had asked for. And the poor, useless loan, when it is granted to France, will be worth about as much as a sixth wheel on an automobile as far as rehabilitating that country is concerned. The Bretton Woods organization is simply not built upon a pattern which will permit it to do anything genuinely effective in rehabilitating the world; and hon. members will see that in the course of a few years. I will say no more at the present time on the matter at this stage, except to urge once more that we must examine this whole united nations and Bretton Woods situation with the utmost caution. I would urge the government not to bring before the house any more bills giving any more strength whatsoever to these two organizations until they prove their worth by yielding fruits which show their worth. They certainly have not done anything yet to justify confidence in them.

The other day the Prime Minister gave a speech in which he pointed out the great value of the united nations. The main burden of his remarks was that the united nations has managed to keep Norway, Denmark and other northern countries with us. We could have kept them with us through the British commonwealth just as well as we can through the united nations.

An hon. MEMBER: Oh.

Mr. BLACKMORE: There is no "oh" about it. I will wager you that the British commonwealth of nations twenty-five years ago had far more prestige, far more power, and a far greater record of worth-while achievement in this world than the united nations will ever have.

An hon. MEMBER: Oh.

Mr. BLACKMORE: And I am putting my words on *Hansard,* so that people who question the wisdom of what I am saying will be able to check. I have no anxiety about having to withdraw any of it.

Having said that, I will refrain from speaking further at the present time.

Mr. JAQUES: Mr. Chairman, I wish to associate myself with the remarks just made by the hon. member for Lethbridge. If I am in order I should like to say a few words with respect to one of the official agencies of the united nations, known as UNESCO.

Mr. ST. LAURENT: Mr. Chairman, I do not think we should allow this to go on. I told the hon. member for Lethbridge that I would have a measure before the house dealing specifically with UNESCO. I know these two hon. members are quite sincere in their views about everything connected with the united nations. They are fearful that they might not have another opportunity to speak. But there will be another opportunity to deal with UNESCO. I did not want to interrupt the hon. member for Lethbridge when he was speaking, because his remarks about UNESCO seemed to be incidental to the main purpose of his argument. But I do say to the hon. member for Wetaskiwin that there will be an opportunity to discuss UNESCO. UNESCO has not yet become a related agency. This house has authorized Canada to become a member of UNESCO, and I shall have a matter to bring before the house in connection with which UNESCO may be considered. But in this measure there is no specific reference to

UNESCO, and I would ask the hon. member to wait until that matter is raised before he proceeds with this subject.

Mr. JAQUES: I have no wish to go against the will of the committee or the wishes of the minister, so long as we do not discuss UNESCO after we have given our approval of it.

Mr. ST. LAURENT: I can assure the hon. member that nothing is being done here which will prejudice what he may have to say against UNESCO. Nothing is being done in the bill which will deprive him of any rights he may have for that discussion. I assure him there will be another opportunity.

Mr. JAQUES: I thank the minister, and I shall say no more about UNESCO at the present time.

Mention has been made of John Grierson. I mentioned this gentleman's name a few weeks ago in the committee on external affairs. I said my information was that, on leaving Canada, he had been refused admission to the United States. I was contradicted, and my information was described as rubbish. I have since learned that what I had been told was perfectly true. When John Grierson left here, he was not admitted to the United States. He then went to Great Britain and obtained a diplomatic passport, so that they were unable to stop him from entering the United States. That, may I say, is authentic information.

I have collected information with respect to Grierson's activities in this country when he was here, which prove beyond question that he was—I do not say he was a member of the communist party, but a fellow traveller, and was working in the interests of communism. If necessary, I can put on *Hansard* the notes I have collected. I might mention that in the wartime information board Grierson asked for two officers from the Department of National Defence—

Mr. MACKENZIE: Order.

Mr. JAQUES: Well, what I am trying to do is to warn, if I can—

The DEPUTY CHAIRMAN: Order. We are dealing with sections 2 and 3 together, and I do not think the hon. member is in order to put on record anything about John Grierson. Any speech he makes at this time must be relevant to the two sections.

Mr. KUHL: You have not heard his point yet.

Mr. ST. LAURENT: I say to the hon. member that the estimates for the Department of External Affairs will be before the committee. Sums are mentioned there for the wartime information board, and if the hon. member has warnings he thinks the department should take into consideration he will no doubt give us those warnings at that time. They will be perfectly in order at that time.

Mr. JAQUES: I am not doubting the minister's assurance, at all. However, I do have painful memories of the last two occasions when the estimates of the Department of External Affairs were before the house. The hon. member for Muskoka-Ontario reminded us about that this afternoon. I had the greatest difficulty on August 31 of last year to say anything on the subject at all, because I believe it was in the last half hour of the session. I believe mine was the last speech made in that session. It is not easy to speak against the good will of the whole house. That is the reason I thought I would take this opportunity.

People need to be warned against insidious propaganda from men who masquerade under assumed names. Grierson, of course, used his own name. But may I mention one about whom I was questioned when I was in New York. They were most anxious and curious about one Stanley Ryan, who has a responsible job with the united nations organization. He represented the press in Greece when the united nations was investigating political conditions in that country. According to the Greek government, he gave entirely false and unreliable information to the world. Naturally I thought Stanley Ryan was an Irishman, or at least an Irish-Canadian. But his real name is Doctor Leo Gershon, and he was born in Russia. He entered Canada illegally and was released from immigration detention in November, 1940. The 1940 report I have is that Gershon's status was questionable and also his background, and that he must be regarded as of potential danger if admitted. He was recommended for internment; yet we find this man in a key position in the united nations.

Then I came across a man by the name of Edward Parker, a name which is more English than mine. According to the report I have, Edward Parker is a Russian Hebrew, an employee of the provincial government of Saskatchewan.

Mr. NICHOLSON: He was.

Mr. JAQUES: At the time this report was made. When the Winnipeg ballet was in Regina he told them that he could arrange a tour of the Soviet Union because he was

in direct communication with the Russian ambassador in Washington. At that time Edward Parker—I do not know his real name—was a director of adult education in Saskatchewan.

There is another case, and I could go on and fill pages of *Hansard* with details of these people who are not Canadian, who are not British, who are aliens.

Mr. NICHOLSON: On a point of order, I think the whole discussion is out of order, but the hon. member is not keeping to the facts. The man in question was never director of adult education in Saskatchewan. In view of the fact that it is out of order and the facts stated are not facts, I think, Mr. Chairman, you should rule it as being out of order.

Mr. JAQUES: My information is that he was.

Mr. NICHOLSON: He was not.

The DEPUTY CHAIRMAN: Again I ask the committee.

Mr. JAQUES: I have no wish to go against the rules of the house or your rulings, Mr. Chairman, which I have always found to be perfectly fair. Parker was a member of the personnel of the adult education branch in Saskatchewan. I mentioned him simply to warn people to be on their guard in connection with this whole idea of adult education, world culture and science. They are all working one way; they are drifting toward communism, or totalitarianism if you prefer. It is not British; it is not Canadian, and finally it is not Christian.

We are asked to give immunities to these people so that they may have the run of the country. No matter what they say or do, they will be above the law. We should consider carefully before we give our consent to that. My only desire in speaking is to warn, not the members of the house so much, but the people outside, through the pages of *Hansard,* of this threat to our way of life. In my opinion there is a deliberate plot to destroy and alter our way of life and substitute therefor something which is totally alien to our culture and our nature. It involves the loss of our freedom and sovereignty which we have fought two wars to preserve. Having won the war, are we to lose everything we fought for?

Mr. ST. LAURENT: Only one of these agencies, the international civil aviation organization, is located in Canada. The officers of that organization would enjoy these immunities while in Canada, but the others would have these immunities only while travelling across Canada to go to the headquarters of the united nations or to one or other of the specialized agencies. I think the hon. members for Lethbridge and Wetaskiwin may feel assured that it will be only the officers and members of the staff of I.C.A.O., having its headquarters in Montreal, who will be enjoying these immunities at this time. I do not think the dangers pointed out by the hon. members are things that many Canadians will have anything to worry about.

Mr. JAENICKE: The right hon. minister might mention that Russia is not a member of the international civil aviation organization.

Mr. LOW: Is it not possible that the united nations could and might be sending a mission to Canada, let us say to investigate some situation here? In a case of that kind, would it not be possible for quite a large number of technicians and employees of the united nations to be travelling in Canada?

Mr. ST. LAURENT: That would be possible if it were so decided by the majority of the united nations at a meeting of the general assembly. I have lived for sixty-five years in Canada, and I have yet to find anything happening here that I would feel would move a majority of fifty-five nations to want to send a mission to investigate us.

Mr. GRAYDON: I rise to a question of privilege. The right hon. minister is not being fair to himself when he suggests that age because he does not look nearly that old.

Mr. LOW: While I want to congratulate the right hon. minister on keeping his youth, I do not think he would keep it very long or at least not much longer if a possibility such as this should arise. General McNaughton appeared before the external affairs committee and he made the astounding statement that sufficient atom bombs to destroy a city the size of New York could be carried in the back of an ordinary automobile. It is conceivable that a group of technicians coming into Canada, with their cars immune from examination, could bring in dangerous things. Under the terms of this bill we would have no right to search their baggage or to look into the backs of their cars to find out what they had or what they were taking away with them.

Mr. MITCHELL: The hon. member is not suggesting that the united nations are in the business of sending atomic bombs about?

Mr. LOW: There are certain organizations—

An hon. MEMBER: It is an exaggeration.

Mr. LOW: My hon. friend over here is a baby; he has not yet learned to suspect any-

thing. He spends most of his time in this house shouting "Order, order." That is about all he knows. It is not beyond the realm of possibility that certain technicians might be retained for certain purposes by one of the specialized agencies or by the united nations, and they could make clandestine contact with emissaries from another nation, similar to the contact that was made just off Long Island during the late war. Transfers of very dangerous things can be made in their baggage. It is that that we want to be on guard against. I think it is only right that we should point out the possibilities, even though they may be extreme ones, if this bill passes.

Mr. MacINNIS: I wish to say one word in this connection. The arguments of my hon. friends to the left have given me the impression that they have the totalitarian mind which sees a danger in every bush. I think it was Shakespeare who said that "the thief doth fear each bush an officer." These ideas that everybody is a dangerous person or is a potentially dangerous person do not exist outside of the totalitarian state.

Mr. LOW: That is where they do exist.

Mr. MacINNIS: That is what I am saying. That is where these suspicions exist. Every person is suspect by every other person, and our hon. friends would have us bring that suspicion into Canada. Let me tell my hon. friends that the United Kingdom has ratified this convention without qualification. It seems to me that if there is any country in the world today where freedom exists it is in the United Kingdom. They are so conscious of the strength of freedom that they are not afraid if they bring somebody into the country he will corrupt them. Nations are not corrupted by bringing in somebody from the outside; they are corrupted from the inside. Canada will always be safe so long as the Canadian people maintain their integrity and their love of freedom. If we are to be destroyed by a few people coming here from the outside it means that we are ready for what these people are bringing us. Take the investigations into the espionage cases. The fault was not that outsiders were spying on the affairs of Canada; the fault was that they found people inside Canada ready to do their work.

Mr. LOW: Under the direction of those who came.

Mr. MacINNIS: They would do their work whether these people came from the outside or not. We have this country sufficiently controlled to prevent the dangers that my hon. friends see. Let me say again that, in the debate they have carried on today they are exhibiting every characteristic of the totalitarian mind.

Mr. JAQUES: In answer to the statement made by the hon. member who has just taken his seat that we are suspicious of these people, let me say that I well remember when I came back to Canada during the war via New York, I am not exaggerating when I say I covered six pages of foolscap with my fingerprints before I was allowed to enter the United States.

Mr. MacNICOL: The hon. member does not look like a communist.

Mr. JAQUES: Having had that happen to me, I have a right to point this out. Why should these people be immune? There is only one answer. It is because they are always looking toward the left, and they are fellow travellers.

Some hon. MEMBERS: Oh, oh.

Mr. JAQUES: It is an amazing thing. It is a passport. I remember when General Chisholm was hoisted into one of the finest jobs in the world the very day after he sneered at everything that we should hold sacred. That is a passport in these days to an international job. If hon. members will look at *Hansard* they will see I said that, having sneered at the spirit of Christmas which we sum up in Santa Claus, Chisholm was given this fine job. I put that on *Hansard*. If he took a crack at the Passover I wonder what sort of job he would get. He would be out on his ear the next day without any job. If my hon. friends opposite went into a bank to cash a cheque, would they count the change? When they do, are they accusing the bank teller of being a cheat? It should be ordinary common sense and good business.

The DEPUTY CHAIRMAN: Order.

Mr. JAQUES: I am only trying to warn the people of the sort of creeping paralysis that is upon us. People seem to have lost their power of thinking as individuals.

Mr. MUTCH: They have been talked to death.

Mr. JAQUES: They have been for years subjected to mass propaganda by commentators and columnists. That has gone on day in and day out. People with no responsibility whatsoever have been talking to them. If you were to ask such people as Walter Winchell—

The DEPUTY CHAIRMAN: Order.

Mr. JAQUES: These are the people who are educating the world today. They have a monopoly of the press and radio. If I were to try to say anything in rebuttal I would find myself off the air. I suppose that will be out of order. I shall mention it when the estimates of the Canadian Broadcasting Corporation come up.

Mr. BLACKMORE: The minister made quite an impression by telling the committee that he has been sixty-five years in Canada and has never seen anything to cause him to worry. He did not spend the sixty-five years in a Canada under the united nations organization with its agencies granted full immunities.

Sections 2 and 3 agreed to.

Section 4 agreed to.

Section 1 agreed to.

Schedule agreed to.

Bill reported on division.

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

Mr. MACKENZIE: Now.

Mr. BLACKMORE: Next sitting of the house. I move the adjournment of the debate.

Mr. MACKENZIE: There is no amendment to the bill.

Mr. BLACKMORE: Next sitting of the house.

Mr. MACKENZIE: We are entitled to ask for the third reading now, since there is no amendment to the bill.

Mr. BLACKMORE: I move the adjournment of the debate.

The SPEAKER: The hon. gentleman cannot move the adjournment of the debate since we are not actually on the third reading. I asked the house whether the bill should be read a third time now.

Mr. MacINNIS: I think the hon. member is within his rights in asking that it be not read a third time now. I think that is a well established rule of the house. While I do not agree with him, I think he has a right which should be respected.

Mr. MACKENZIE: There is no objection.

Mr. SPEAKER: When shall the bill be read a third time? Next sitting of the house.

[The Deputy Chairman.]

OLD AGE PENSIONS

INCREASES IN AMOUNTS AND INCOME ALLOWANCE REQUIREMENTS—MODIFICATIONS OF ELIGIBILITY

The house resumed from Thursday, June 26, consideration in committee of Bill No. 339, to amend the Old Age Pensions Act—Mr. Martin—Mr. Macdonald (Brantford City) in the chair.

The DEPUTY CHAIRMAN: When the committee rose on the last occasion we were dealing with clause 4. Shall clause 4 carry?

Mr. TUCKER: I do not intend to detain the committee for any length of time, but I felt I should make a few remarks to indicate my position with regard to this legislation. I felt that the introduction of this interim legislation—it is admittedly only interim legislation—certainly did not merit the violent attack that was made upon the minister. Surely it does improve the position of old age pensioners, and admittedly it is only an interim bill. It was never claimed to be anything else. The minister has stated that the programme which the government proposed to the provinces in 1945—

The DEPUTY CHAIRMAN: I suggest to the hon. member that it is not proper now to make a second-reading speech on this clause. I would ask hon. members to confine their remarks to the clause itself.

Mr. TUCKER: I submit, Mr. Chairman, that I am dealing with the clause, because the amount has been attacked, and I am giving reasons why, in my opinion, the attack is groundless.

The DEPUTY CHAIRMAN: If the hon. member will deal with the clause he will be in order, but if I am right in my idea of what the hon. member was doing, he was starting to make a second-reading speech.

Mr. TUCKER: I do not know how you know what kind of speech I am going to make. I did not know we had a mind reader in the chair. If you know what kind of speech I am going to make you are a wise man.

Mr. JACKMAN: I suggest, Mr. Chairman, that you ask the hon. member to withdraw that remark about the chair.

Mr. MACKENZIE: How often do you not do it?

Mr. JACKMAN: Never mind that.

Mr. MACKENZIE: About twice a day.

Mr. JACKMAN: I suggest that the remark about the Chairman being a mind reader should be withdrawn.

Mr. TUCKER: I am sure the Chairman will appreciate the hon. gentleman's observations. The amount proposed in this section has been attacked; but, as the minister has said, it is justified on the ground that it is to be part of an integrated and balanced programme and I intend to deal with it from that point of view. I understand that the government has said it still stands by that programme, of which this is only a part, and I shall say a few words about that. Surely in justifying the amount in this section, by pointing out that it is only an interim amount and that the programme of which it is a part still stands, I am in order. The programme which the government laid before the country was one that applied, not only to old people, but to children as well and one that was intended to look after citizens generally and to ensure the security of the breadwinner against accident, unemployment and sickness and to take care of his dependants in case of death or permanent invalidity. I submit that these provisions for the general improvement of the health of our people and the care of our children and our citizens, regardless of age, are of great importance. That is the general programme. The reason for this programme not being proceeded with has been indicated by the minister as being due to the opposition of two of the provinces, which necessitated proceeding with this interim measure.

Mr. BURTON: Can the hon. member tell us what section he is dealing with?

Mr. TUCKER: Section 4, as has been announced several times.

Mr. JOHNSTON: Let us see what you are reading from.

Mr. TUCKER: The government's proposals envisaged this programme and, in order to proceed with it, it was deemed necessary to get the consent of the provinces.

An hon. MEMBER: We cannot hear over here.

Mr. TUCKER: In regard to this programme—

Mr. MacINNIS: What programme is the hon. gentleman referring to?

Mr. TUCKER: I am referring to the dominion government's programme in relation to the proposals—

The DEPUTY CHAIRMAN: What is under consideration in clause 4. I would ask the hon. gentleman to deal with that.

Mr. TUCKER: I am dealing with it.

The DEPUTY CHAIRMAN: This question of what the provinces do may be all right in a second-reading speech, but the hon. gentleman's remarks must be relevant to the clause.

Mr. GRAYDON: You are a good mind reader after all, Mr. Chairman.

Mr. TUCKER: I am talking about the amount of pension, which has been attacked, and I propose to deal with that question and to state why I am supporting this particular clause. So far as I am concerned, I welcome the raising of the amount, to which the dominion contributes seventy-five per cent, to the sum of $30 a month. I do not say it is satisfactory as a permanent measure, but only as an interim measure until the whole programme can be brought forward, and as such, it is worthy of support as an interim measure, and only as an interim measure.

May I say I am glad that there should be such interest in what I am saying. I do not recall that when hon. members of the C.C.F. speak I take part in a concerted effort to spoil their speeches by interruptions as has been the case every time I rise to speak. I am not affected by the C.C.F. when they attack me. It shows a definite state of mind on their part. It shows a fear that the things I say will meet with the approval of the people, and I am not surprised at their action.

If I may proceed, I would have preferred a system whereby there would not have been a means test. I would have preferred some such system as that under the family allowances, where the amount would be paid without a means test and in certain cases recovered through the income tax law. For example if a person had dependents and received an income of over $3,000 the whole amount paid could be recovered, and if he had no dependants and received an income of over $2,000 the whole amount could be recovered. But in the first instance there should not be a means test.

I am pleased that the regulations have been liberalized in many other respects which, in deference to your ruling, Mr. Chairman, I will not mention. However I should like to say this about the situation in regard to supplementary grants which have been mentioned and which possibly come under this section. I am pleased that provision has been made that, apparently, supplementary grants may be made without in any way affecting

the right of the old age pensioner to draw the full amount of pension of $30 a month, plus an income of $20 a month of his own, plus any supplementary allowances the provinces may see fit to give. Something has been said about the supplementary allowances paid by my own province and I would say that, as far as I am concerned, I feel that the province I come from should give the same supplementary allowance as is given by any other province in Canada.

There should be no first and second-class citizens in Canada. As regards certain minimum rights, they should accrue to citizens in all parts of Canada wherever they live—minimum rights as to education, health, social security and so on. That being the case, what if the financially strong provinces are able to provide better rights than other provinces can possibly afford. So far as my attitude is concerned, I think there should be a minimum national standard provided in regard to education, in regard to the security of the people, and in regard to health and certain fundamental rights. If any particular province finds that it cannot meet these minimum standards without having to resort to unduly heavy or unfair taxation, considering ability to pay as compared with other parts of the dominion, that situation should be met by fiscal need grants. In regard to pensions for the blind, I may say that I am one of those who believed that they should be granted at the age of twenty-one.

Some hon. MEMBERS: That is the next section.

Mr. TUCKER: Well, I might deal with that next section now.

Some hon. MEMBERS: Order.

Mr. TUCKER: Surely I might be permitted to make this observation in order to save my rising on the next section.

An hon. MEMBER: You are not tired, are you?

Mr. TUCKER: I am glad that my hon. friends of the C.C.F. are so afraid I might say anything of that kind that they are sitting watching to see that I do not.

Mr. MacINNIS: We were watching when you did not vote.

Mr. TUCKER: However I am not surprised at their attitude, because they attempt to take unto themselves a complete monopoly of being concerned about the welfare of those who are not as well off as themselves.

Mr. MacINNIS: We at least had the courage to vote.

[Mr. Tucker.]

Mr. TUCKER: Before the bill respecting pensions for the blind was passed in this house, I made speeches supporting it, and I think I was just as favourable to it as anyone was.

Mr. PROBE: Why did you not come in and vote the other day?

Mr. GIBSON (Comox-Alberni): Let us be fair about this.

The DEPUTY CHAIRMAN: Pensions for the blind come under section 5. We are dealing with section 4, amount of dominion contribution and persons pensionable.

Mr. TUCKER: May I say that I should like to see all the original dominion proposals in regard to old age pensions implemented as soon as possible, including lowering of the age to sixty-five.

Mr. McCULLOUGH (Assiniboia): May I ask a question?

Mr. TUCKER: I will finish, and then you can ask all the questions you want to ask.

An hon. MEMBER: You are throwing him off.

Mr. MacINNIS: It is hard to read when you are being interrupted.

The DEPUTY CHAIRMAN: Order, order.

Mr. TUCKER: I am glad hon. members are enjoying themselves.

The DEPUTY CHAIRMAN: Order. I would ask hon. members to be kind enough to allow the member who is speaking to make his speech.

Mr. TUCKER: In regard to this carrying out of the proposals as originally submitted to the provinces, including the contribution of the dominion of fifty per cent of the pensions from sixty-five to sixty-nine years of age and in regard to the rest of the programme, I suggest that a last request be made to the provinces of Ontario and Quebec—which represent in their own right over half of the people of this dominion—that they agree to those proposals. If it is quite clear that they will not agree; and since it seems to me to be definite that the people of Canada want the proposals implemented, and, if no agreement of a general nature, which is desirable, is reached I suggest that they be advised before the next session that legislation will be brought down along the lines of the first old age pension legislation whereby any province can adhere separately to those proposals and have them go into force there. In this way the wishes of the Dominion of Canada as a whole in regard to health, public investment, social

security and tax reform will be given effect to and the wishes of the provinces which desire to have that programme established will be complied with.

In regard to the suggestion which has been made over and over again, that there is something wrong with provinces making a supplementary grant, I will only say this. If it is definitely understood—and it must be so understood—that if to bring up the old age pension to a proper level provinces have to make a supplementary grant, then it should also be understood that if they cannot, having all things else in mind, make that grant without imposing unfair taxation on their people, they should have the right to come to the central government which has the right of taxing the whole of the people of Canada for a grant based upon fiscal need. So on that basis, since this is an interim bill which was designed to help our old people while we find out just where we stand in regard to the whole programme; since it adds at least 60,000 to the list of those who will get pensions—it will certainly help those, as it will help over 200,000 others who are already drawing pensions by increasing the amount which they can draw—on the definite understanding, so far as I am concerned, that this is an interim measure and that the government still adheres to its original proposals of going ahead and reducing to sixty-five the age at which old age pensioners may draw pensions, and providing that blind pensioners may draw pensions at twenty-one, and in the hope that the suggestion which I have now just thrown out to the government and urged upon them, that, if general agreement cannot be had, those proposals will be made available to each province to accept singly, I support this particular section and this particular proposal.

Mr. DIEFENBAKER: I have not taken any part in this discussion from the beginning, and I doubt whether I would have done so if the hon. member for Rosthern had not seen fit to make what I regard as merely a political speech on this particular section. But one thing which we must try to keep clear from—

The DEPUTY CHAIRMAN: Order. I am going to ask the hon. member to be kind enough—and he is always very kind—to deal with the section under discussion, namely, section 4 which deals with the amount of dominion contribution and persons pensionable.

Mr. TUCKER: I may say to the hon. member for Lake Centre that he does not make anything but political speeches.

Mr. DIEFENBAKER: You see, Mr. Chairman, what happens. In spite of your ruling of a moment ago, the irrepressible member for Rosthern still persists.

Mr. TUCKER: I am not any more irrepressible than the hon. member who is speaking.

Mr. DIEFENBAKER: At least I deliver my speeches without reading them.

Mr. TUCKER: I rise to a point of order, Mr. Chairman. I did not read my speech.

Some hon. MEMBERS: Oh, oh.

Mr. TUCKER: The suggestion is preposterous.

Mr. NICHOLSON: Whose speech did you read?

Mr. DIEFENBAKER: Mr. Chairman, it is suggested that it was not his speech that he read.

Mr. TUCKER: That is very smart. The hon. member is getting too smart altogether.

Mr. DIEFENBAKER: I do not want to get into an argument on this. The hon. member says that this is only an interim measure and that section 4, which is before the committee, is merely an interim one. There is no suggestion anywhere in this bill, from beginning to end, that it is anything in the nature of an interim measure. This is a permanent measure, but by way of exculpation for the fact that it is unfair, unjust, mediocre and picayune, the explanation is given that it is only an interim one. If it is only an interim one, the minister can turn around and immediately add a section to the effect that this shall only apply until 1947, after which, according to the hon. member for Rosthern, if something is not done, he is going to do something about it.

Mr. TUCKER: Would it not have been a better measure if it had not been for your friend Drew?

The DEPUTY CHAIRMAN: Order.

Mr. DIEFENBAKER: The hon. member is just continuing his political remarks.

Mr. TUCKER: I asked a question. It would be a better measure if your friend Drew had not stood in the way and stopped it.

The DEPUTY CHAIRMAN: Order. I would again appeal to hon. members to forget Mr. Drew and everyone else and deal with the section before the committee.

Mr. TUCKER: It would be a better bill if it were not for him.

Mr. DIEFENBAKER: As a matter of fact, Mr. Chairman, Mr. Drew did something my hon. friends opposite did not expect; he made

provision for the old age pensioners in the province of Ontario, after the failure of the government to do so.

Mr. TUCKER: Would my hon. friend rather have Ontario do that than come into the picture and help out the whole country? Ontario is much richer than Saskatchewan.

Mr. DIEFENBAKER: Apparently some of my hon. friends opposite are playing politics so much with this that they criticize Colonel Drew for having assured a fair deal to the old age pensioners of Ontario. But that is not what we are dealing with.

Mr. TUCKER: Remember, you represent a Saskatchewan seat.

Mr. DIEFENBAKER: As far as Saskatchewan is concerned, my hon. friend has always been long on promises as to what would be done for the old age pensioners; but today in that province, as when the present government came into power, the old age pensioners are not being looked after.

Mr. TUCKER: Just as well as in Ontario, if not better.

Mr. DIEFENBAKER: You see where we get, Mr. Chairman, when my hon. friend endeavours in this house to make the sort of speech he has been making in Saskatchewan for the past three weeks, in order to gain support. If my hon. friend had only waited, perhaps he would not have become so much annoyed. On the other side of the question, hon. gentlemen to my left say the pension is not enough, with which we all agree, and they produce a petition asking for $50 a month.

Mr. WRIGHT: Payable by the dominion government.

Mr. DIEFENBAKER: Oh, yes; my hon. friends over here would pass the buck back to this government.

Mr. CASTLEDEN: We have done more than any other province.

Mr. DIEFENBAKER: Now my hon. friends over here are talking again. They pay $5 less than in British Columbia.

Mr. CASTLEDEN: And medical attention.

Mr. DIEFENBAKER: Medical attention is given in British Columbia, too; and they pay approximately $10 less than is now given in Ontario.

Mr. NICHOLSON: Who are getting it in Ontario now?

Mr. DIEFENBAKER: The interruptions have been transferred to another side of the house.

[Mr. Diefenbaker.]

Mr. CASTLEDEN: Leave us alone and you will not be be interrupted.

Mr. DIEFENBAKER: My hon. friends over here always preach large amounts, but as far as Saskatchewan is concerned they do not practise large amounts when they have the opportunity to do so. In that connection, sir, I am going to give an example of what has happened in that province, and it comes particularly under this section dealing with the division of responsibility as between the dominion and the provinces. This has to do with a man who was born in 1858, who was one of the great pioneers of our province; at one time a fairly high ranking official of the Hudson's Bay Company. Today, at eighty-nine years of age, this man finds himself unable to carry on.

Mr. MITCHELL: What province?

Mr. DIEFENBAKER: I am speaking of Saskatchewan. He endeavoured to obtain an old age pension, and was granted a pension some eighteen years ago. Later, that pension was set aside because he had an income of $694 a year on which to support himself, his wife and three dependents.

Mr. MACKENZIE: A good Scottish name, too.

Mr. DIEFENBAKER: I am not going to give the name, but at one time his brother was a member of this house. The hon. member for Rosthern knows of the contribution of this family, because he is often in Prince Albert. Finally, in 1945, the regulations having been changed, he made application for an increased pension. Originally he was cut off because he had some private means, the amount I have already mentioned. This man served his country during the days of the Riel rebellion. He preserved the lives of the people of Prince Albert and Green Lake. He carried the messages between Middleton and the sub-commanders. In August, 1945, he received a letter from the government of Saskatchewan advising him that he may obtain additional pension in the amount of $116 a year, but not until he has repaid the amount he was originally overpaid at the time his first pension was discontinued.

Mr. WRIGHT: That is the dominion regulation.

Mr. DIEFENBAKER: Well, it is a combination of dominion and provincial regulations.

Mr. NICHOLSON: You are not putting the blame on the government of Saskatchewan?

Mr. DIEFENBAKER: I do not care who gets the blame; they can share it between themselves, but apparently it is a case of joint responsibility. This man pointed out his service. In his letter he said that he had spent his whole life pioneering in Saskatchewan; that he was a worthy scion of the province; that he was employed throughout the rebellion of 1885, from beginning to end, as scout and volunteer with the government forces against Louis Riel at Duck Lake and Batoche, and in quelling the Indian uprisings at Fort Pitt, Battleford and Green Lake.

Mr. NICHOLSON: He should be getting a veteran's pension.

Mr. DIEFENBAKER: He was not a member of the force.

Mr. MACKENZIE: Was he with the transport, do you know?

Mr. DIEFENBAKER: No; at that time he was with the Hudson's Bay Company, but he was operating as a volunteer, not under army orders.

Mr. CASTLEDEN: Does the Hudson's Bay Company pay him a pension?

Mr. DIEFENBAKER: I mentioned the amount they paid him. He has been told, finally, that if he waits until January 1, 1952, at which time he will be about ninety-three years of age, he will be qualified to receive an old age pension. I bring this matter to the attention of the committee as an example of the difficulties which arise when the dominion and the provinces work under joint regulations. I dislike bringing personal matters before the committee, but I mention this case in the hope that this old gentleman may be given that measure of justice he deserves, so that one of the greatest of our western pioneers shall not be told in his hour of need that we can do nothing to help him. Here may I refer to the letter from the province of Saskatchewan, in which this old gentleman is told that, under the circumstances, he might appeal to the local municipal authorities for social aid. I urge that this old man be given consideration. Today, under the old age pension legislation, there is unfairness and injustice. Cases such as these should be investigated. I could mention others, but I think this is the most outstanding I can bring before the committee.

Mr. MacINNIS: On Friday evening several hon. members asked the minister if over the week-end he would give consideration to inserting in the bill a section making some provision for wives of pensioners who are not as yet of age to be entitled to pension in their own right. Has the minister had time to go into this and, before it is passed, will such a section be placed in the bill?

Mr. MARTIN: Mr. Chairman, consideration has been given to the matter. In support of his argument, the hon. member referred to certain unitary states. The situation has been examined in the light of what federal states including Australia do, and in the light of our conception of what our responsibilities vis-a-vis the provinces are, and we feel that is a matter for provincial responsibility.

Mr. QUELCH: The minister said that at the next meeting he would endeavour to place before the committee an approximate budget showing what old age pensioners receiving $30 a month could get by on.

Mr. MARTIN: I find that the hon. member for Lethbridge has done that.

Mr. QUELCH: I asked a question, and the minister replied that he would give that information at the next sitting.

Mr. MARTIN: I find that the hon. member for Lethbridge has done that.

Mr. QUELCH: Done what?

Mr. MARTIN: Has anticipated me, and set down that very thing.

Mr. QUELCH: Oh, well, that was not a satisfactory budget. That budget was given to prove that an old age pensioner could not live on $30 a month. The kind of budget we want from the minister is to to prove that the old age pensioner can live on $30. Is the minister accepting the figures of the hon. member for Lethbridge?

Mr. MARTIN: I did not say that.

Mr. QUELCH: If he is, then he is accepting the statement that old age pensioners cannot possibly live on $30 a month.

Mr. MacNICOL: In respect of a man or woman born in Canada, who has lived here until reaching the age of fifty years or more, and then for one cause or another moves to the United States to live with a son or daughter, remains there for a few years and then returns to Canada, what would the position be so far as the receiving of a pension, inasmuch as they would not have been here for twenty years immediately prior?

Mr. MARTIN: They would be all right, under the new bill.

Mr. MacNICOL: I have not been able to obtain a copy of the regulations. Will they have that provision in them?

Mr. MARTIN: It is in the bill itself, section 8(1)(a)(ii).

Mr. MacINNIS: Paragraph (c) makes provision for the income a pensioner may have over and above the pension. How will this income be computed, taking the property and the income the pensioner may have?

Mr. MARTIN: That will come under the regulations. I shall be glad to go into that when we reach section 17 of the regulations.

Mr. MacINNIS: Shall we be discussing the regulations?

Mr. MARTIN: Yes, under section 8 of the bill.

Mr. GREEN: I would ask the minister to make a further explanation as to the adequacy of the figure, as to its representing the amount a person must live on, if he has no other income. It was always my understanding that the pension was designed with the intention that it would be adequate for a person to live on if he had no other resources. The other night, as reported at page 4744 of *Hansard,* the minister said:

> I do not say, and no one says, that $30 a month is enough for a person to live on.

Later on, he said:

> An old age pension in this country was never intended to cover the complete cost of living; it is a maintenance grant. That is all it can do.
> Mr. Quelch: Never meant for what?
> Mr. Martin: To live completely on. That is what I am saying.
> Mr. Quelch: What is an individual going to do who has no other means of livelihood?
> Mr. Martin: That is another matter, and I say it is one with which I am as much concerned as anyone, and perhaps more than most.

I would ask the minister to explain how a person in that position is supposed to be able to exist. I think we are all agreed that the figure of $30 is not adequate, under present prices, for a person who has absolutely no other income. But apparently the minister has in mind that a person in that position must be looked after in some other way. I would ask the minister to explain that, because to my mind it goes to the root of the whole problem. What I am concerned about, and what I think every other hon. member is concerned about, is that the recipient of an old age pension shall have enough to live on. Without having enough to live on, he is in a hopeless position.

I regret very much that the initiative has been allowed to pass from the dominion to the provinces, and that the provinces are now setting the standard of adequacy. In 1926, when the Old Age Pensions Act was first passed, the dominion took the lead. Again in 1931, when the dominion increased its share from fifty per cent to seventy-five per cent, the dominion took the lead.

Mr. MARTIN: It is twenty-five per cent and seventy-five per cent.

Mr. GREEN: The dominion paid seventy-five per cent and the province, twenty-five per cent.

Mr. MARTIN: Yes.

Mr. GREEN: Then I think the former minister of finance changed that whole picture when, on November 14, 1941, as reported at page 4428 of *Hansard,* he said:

> The dominion must, I am convinced, take the position that old age pensions of the non-contributory type now in effect are primarily a provincial responsibility, the role of the dominion being that of a contributor financially assisting the provinces to discharge this responsibility.

In my opinion the dominion from that time started to hide behind the provinces, and is still doing so. Since then, for a time the standard was set by my own province of British Columbia; now a new standard is being set by Ontario, with the dominion a long way behind.

But that is an aside. I regret that the dominion is not setting the standard of what would be an adequate old age pension. Will the minister explain how a person without any other income than the pension is to be able to exist?

Mr. MARTIN: My hon. friend will recall the debate of 1927 and what was a memorable speech by the late Lord Bennett, in which he discussed this whole principle and, I think, made one of the great contributions to that debate. He made the same statement, which was commented on by others on the government side. In all countries, pensions are merely grants toward maintenance.

Mr. GREEN: Toward maintenance?

Mr. MARTIN: Yes, toward maintenance. I do not think they could be regarded in any other way than that. I cannot add to my statement any more than I have tried to state. It is a grant toward maintenance. In this country, the federal state, carrying on the practice of other federal states, makes a grant to the provinces. When one considers that we are paying $22.50 out of $30, he will realize the extent of our contribution. And when one considers that we shall be paying $68 million as compared with $17 million currently paid by the provinces I do not think one has reason to say that the federal government has not recognized its responsibility. The purpose of provincial supplements is to meet in part

the problem my hon. friend has so carefully pointed out. The provisions of section 16 (c) of the regulations, which provide that the supplements are not to be considered income, only corroborate what I have said. We feel that, under our constitutional set-up, these cases are a matter for the provinces, pending the agreements that we can make on the overall scale of social security as covered by the dominion's proposals to the provinces.

Mr. GREEN: I cannot see much in the last part of the minister's argument, because the government is now receiving all the taxes it would receive if agreements had been made, and it is spending $100 million less than it would have to spend by way of payments to the provinces which have not entered into agreements. Therefore the government has $100 million more than it would have had if all the provinces had come into the agreement. Apparently the position of the dominion government is this. It does not pretend to pay, even with this increased amount, to the old age pension recipient who has no other income, sufficient for him to live on. This is only what the minister calls a maintenance grant, something as assistance toward his maintenance. Is that stating the dominion government's position fairly?

Mr. MARTIN: It cannot be any more than that.

Mr. GREEN: Am I stating the dominion government's position fairly?

Mr. MARTIN: We have increased it to a greater extent than before.

Mr. GREEN: You are not pretending to pay an adequate old age pension?

Mr. MARTIN: We are paying what we think is a justifiable maintenance grant, which is better financially than that of any other country in the world.

Mr. LOW: Following up what the hon. member for Vancouver South has said regarding the adequacy of the pension to be paid under the new bill, I would respectfully point out to the minister that, at a convention of his own party held last week in Alberta, a resolution in this connection was passed. I received a telegram stating:

> Liberal convention held in Edmonton June 24, 1947, endorsed following resolution on old age pensions. Raise the amount to forty dollars per month without means test, lower age to sixty-five for men and sixty for women.
>
> Edward C. Fisher, president of Alberta pensioners society.

Mr. Fisher is the president of the Alberta pensioners' association. For years he was a prominent Liberal in the province, until the Social Credit government was established, when he supported that government because they were trying to do something. I want to point out to the minister that even his own party followers in the various provinces do not think the amount named in his bill is in any way adequate. They are asking for a pension of $40 without a means test at sixty-five years for men and sixty years for women.

Mr. MARTIN: The same as the proposals we made to the provinces, which still stand as government policy.

Mr. LOW: Nothing has been said as to when that will be implemented. Surely it is the responsibility of the senior government, with its wide taxation fields and with the Bank of Canada, to lead out and not leave it to the provinces to lead out. It is evident that the national Liberal party is waiting for some of its limbs throughout the country to take the lead and get something done. They have the courage to think.

Mr. MACKENZIE: Is it not true that the Social Credit government of Alberta promised to pay a dividend of $25 a month? How long, oh Lord, is it going to be before they pay it?

Mr. LOW: I will say that they did make that promise, and I will say further that the minister knows full well why they could not keep it. If he and his colleagues had just kept their fingers off we would have been paying it a long while ago and he would not have to be reminded every day of his duty with respect to the aged.

Mr. HATFIELD: Who is to make up the difference between $30 and what is required? Will it be the province or the municipality? Is it to be paid under the poor act of the municipality?

Mr. MARTIN: It is up to the province to decide whether they want to shoulder if off on somebody else. There is no limit under this bill, and a province may pay a pension up to $50 if it wishes.

Mr. WRIGHT: Is it the policy of the government gradually to shift back to the provinces a larger responsibility for the taking care of old age pensioners? At one time it was fifty-fifty as between the dominion and the provinces. Then we changed it to a seventy-five per cent contribution by the dominion. Now, under this bill it is being changed, in the case of the western provinces, to a contribution of thirty-five per cent, and in the case of Ontario it will be a contribution of approximately forty per cent when they pay $40 a month. Is it the policy of the government to force the provinces into paying a greater share of old age pensions?

Mr. MARTIN: The policy of the government over a long period is contained in the proposals that were made to the provinces in 1945. Those proposals envisaged not only old age pensions, but health insurance, public investment—

Mr. WRIGHT: We are talking about old age pensions.

Mr. MARTIN: You are asking me the policy —and social security; that is the policy of the government.

Mr. CASTLEDEN: When they all sign.

Mr. MARTIN: You cannot go ahead and promise things to the people which you never hope to be able to fulfil. I certainly would not be a party nor would this government to that kind of practice. The amount involved in the full programme laid before the provinces will involve an expenditure of $600,000,000 a year, which is a lot of money. When we reach an accord with the provinces on fiscal matters we are prepared to sit down and discuss these broad objectives with the provinces. In the meantime we feel that this government which will be contributing $68,000,000 to old age pensions as compared with approximately current expenditures of $17,000,000 by the provinces is not shirking its responsibility. When we think that the extra $20,000,000 which will be expended by the federal government under this bill is more than all the provinces are paying for old age pensions at the present time, the committee will agree with me that the federal government is meeting its responsibilities.

Mr. FLEMING: It is quite impossible to follow the minister in his latest excursion of reasoning. He is saying in effect that the proposals of 1945 constitute the government's policy, but somehow or another the minister says they cannot carry them out. They claim they cannot carry them out because only seven of the nine provinces have signed. Why does the minister not tell us that the federal government has every source of revenue right now that it would have if all the provinces signed this agreement? Not only that, but there is actually more money available to the dominion today because Ontario and Quebec have not entered into agreements. The dominion has all the sources of revenue and it is not called upon to make grants to those two provinces. Actually the federal government is over $100,000,000 per annum better off today than it would be if Ontario and Quebec signed agreements. Yet the minister has the effrontery to say to the committee that that is why they cannot carry out the proposals of 1945. It does not make sense.

[Mr. Wright.]

Mr. QUELCH: I was surprised that the minister should have compared the amount of money being paid by the provinces with the amount being paid by the federal government. The people of the provinces are now paying hundreds of millions of dollars to the federal government in the form of taxation, either direct or indirect. The minister has suggested that the proposal from this side of the house that a pension of $50 a month be paid to our senior citizens is too much.

Mr. MARTIN: I did not say that.

Mr. QUELCH: The minister certainly gave that impression, and then the parliamentary assistant attempted to support that by figures he put on the record.

Mr. MAYHEW: I did not say it was too much.

Mr. QUELCH: It is now apparently becoming realized on that side of the house that $50 would not be too much. Why not withdraw this bill and bring in another one which will provide for the payment of $50 a month to our senior citizens?

Mr. MAYHEW: I never said anything like that. When I put the nine different propositions on *Hansard* I did so, in order that anyone who wanted to know what those different propositions would cost could look at the record and see for themselves. In other words, they had an opportunity of using their heads as well as their hearts. What the hon. member is doing at the present time is using his heart and not his head.

Mr. QUELCH: I think, when the next election comes around, the people will show the minister that they are using their heads. The people of this country expect that once in a while this government will carry out the promises they have made. There is no question that during the war this government time and again guaranteed that, after we had won the war, they would bring in a new social order, and yet they bring down an old age pension bill to give the old age pensioners $30 a month, of which the provinces must pay twenty-five per cent.

An hon. MEMBER: What country did you come from?

Mr. QUELCH: I do not suppose the hon. member knows the country I come from.

The CHAIRMAN: Order.

Mr. LOW: Just what are they doing in the hon. member's province?

The CHAIRMAN: May I remind the committee that we are considering section 4 of the

bill to amend the Old Age Pensions Act. A general discussion on a new social order is hardly in order at this time.

Mr. QUELCH: I quite agree that apparently it is out of order for this government to bring in a new social order; nevertheless this bill is supposed to be a part of that order. The parliamentary assistant to the Minister of Finance placed figures on the record. According to those figures, the cost of providing a pension of $50 a month—

Mr. MARTIN: I rise to a point of order.

Mr. QUELCH: —without a means test—

The CHAIRMAN: Order.

Mr. MARTIN: You, sir, have just called the committee's attention to the fact that we are discussing a specific section of the bill. The argument my hon. friend is making is an argument which could be properly, and undoubtedly was, proposed by him on second reading, but I do not think it should be allowed when we are discussing another section. With great respect to you, sir, I ask that this procedure be observed.

Mr. MACKENZIE: According to standing order 58(2).

Mr. QUELCH: All we are trying to do is to suggest that $30 a month is absolutely insufficient and that we should pay a pension of $50 a month. Surely it is in order to discuss whether or not we can raise $30 a month to $50. That is all I am speaking on at the present time. I was giving figures to show what the actual cost of paying $50 a month would be. Is not that in order? We are on the section dealing with the amount of pension that is to be paid.

Mr. MARTIN: No, it is not in order.

Mr. QUELCH: The cost of paying $50 a month at age sixty-five without any means test would be $560,000,000, according to the figures placed on the record by the parliamentary assistant to the Minister of Finance.

Mr. MARTIN: I do not want to be needlessly insistent, but I suggest to you, Mr. Chairman, with great respect, that that kind of argument is not relevant to the particular section under discussion. The hon. gentleman says that he does not agree with the figure of $30. He has suggested another figure. The argument as to why it should be more has certainly nothing to do with the argument as to why that figure is in the bill. It has been disposed of by the house, and I would ask you, sir, with great respect, to give accession to what I have said.

Mr. QUELCH: We are dealing with the section which specifies the amount of pension that is to be paid. The one thing that we can discuss at the present time is certainly the amount of pension to be paid. That is the only thing that is in order, and that is the very thing I am discussing. If I discussed anything else it would be out of order.

Mr. GRANT: You offer $25 to our $30.

The CHAIRMAN: Order. I think the committee would make more progress if members, when they speak, would direct their remarks to the section under consideration. It has been suggested several times in the house to the minister that the amount should be increased to $50. I have not heard any new arguments with respect to that, and I cannot see how further discussion at this time will get us anywhere. I suggest to the hon. member for Acadia that he allow the section to carry now.

Mr. QUELCH: If I had been allowed to proceed I would have been through long ago. The minister and the Chairman admit that I have been discussing the question of $50 a month. Apparently that has been in order in the past. All I wanted to do was to show actually what happens when you pay old age pension of $50 a month. The numbers benefiting in 1948 under this legislation would be 933,000; that is, if you take the age of sixty-five. The national net income is around $9 billion. Therefore the programme of paying $50 a month at the age of sixty-five to these 933,000 senior citizens would mean that approximately eight per cent of the population would benefit. It would mean that they would receive approximately six per cent of the total national income. In other words, eight per cent of Canada's population would be receiving six per cent of the national income.

An hon. MEMBER: How many men?

Mr. QUELCH: That is the total number of men and women over sixty-five years of age. I do not know how many men or women there would be in that number. I took the figures as placed on *Hansard* by the parliamentary assistant. In addition to that, they might have some income of their own; but on that basis I think the minister must agree that there would be nothing outlandish in the old age pensioners receiving $50 a month. It would just be giving them their fair share of the national income, and it would mean that all the people of Canada would be contributing annually approximately six per cent of the production of the country to the old age pensioners, and in that way it would definitely be a contributory scheme.

It would be paid out of the national revenue funds to which all the citizens would be annually contributing in the form either of indirect or direct taxation. I just place these figures on record to show that the suggestion is reasonable and that we are not giving these citizens more than their fair share of the national income.

The point I should like to make again is the one I brought up on Thursday night, namely, would the minister not agree that paying an old age pension of $50 a month would greatly help to maintain the national production of this country, because we have been warned that in the very near future it will not be possible to maintain the national income in this country since effective demand will fall off.

The CHAIRMAN: Order. The hon. gentleman is not in order now.

Some hon. MEMBERS: Carried.

Mr. MILLER: I wish to make a suggestion to the minister. I am not going to make a speech on it. Tonight there seems to be an obvious spirit of compromise in the committee. I am going to suggest a proposition to the minister. Obviously in the country there is dissatisfaction over the figure of $30 a month; there is dissatisfaction in every party in the house, including the government party. If all parties can get together and agree for the time being that a figure of $35 would be acceptable, would the minister be prepared to amend the bill and insert $35 for the present?

Mr. MARTIN: This government feels that it has presented to the house a bill which can stand on its own feet.

Mr. FLEMING: For how long?

Mr. MARTIN: This bill has resulted in a pension of over $30 in six provinces; in one case, the province of Ontario, $40; in the case of British Columbia, $38.75. I am sure that my hon. friend will find that this bill really should commend itself.

The CHAIRMAN: Shall the section carry?

Mr. MILLER: The minister would not agree to an amendment of $35 if all parties were agreeable?

Mr. DIEFENBAKER: I wish to ask the minister a couple of questions. I understand that now the pension will be paid to anyone who has been in Canada for twenty years whether he is naturalized or Canadian born. Suppose a person comes over from the United States and stays in Canada for a period of

[Mr. Quelch.]

years and does not apply for naturalization. That person, on attaining the age of seventy, taking into consideration his financial condition, is entitled to pension.

Mr. MARTIN: We followed the practice followed in the unemployment insurance and family allowance acts.

Mr. DIEFENBAKER: I now come to a provision that strikes me as worthy of consideration. I have in mind the case of a man of sixty-nine years of age with $20,000 worth of land, and he transfers that land to his family without consideration.

Mr. MARTIN: When we come to the regulations we shall be dealing with that. It comes under section 8.

Mr. DIEFENBAKER: Section 8 is totally inapplicable to the situation I have propounded. It provides that "the governor in council may make regulations not inconsistent with this act for carrying out the purposes and provisions of this act, and without limiting the generality of the foregoing may make certain regulations."

Mr. MARTIN: It is also dealt with in section 5; old section 9 (1) (a).

Mr. DIEFENBAKER: Subsection 1 of section 8 is a substitute for the old section 8, subsection 1. The old section 8, subsection 1, provided that provision shall be made for the payment of a pension to every person who at the date of the proposed commencement of the pension is a British subject, and so on and finally, in (g):

> has not made a voluntary assignment or transfer of property for the purpose of qualifying for a pension.

Mr. MARTIN: That is in section 9, (1) (a), at the bottom of page 3 of the bill.

Mr. DIEFENBAKER: First, my hon. friend pointed to the regulations and now he says that section 9 (1) (a) takes the place of former section 8. It does not.

Mr. MARTIN: Let us wait until we get to the section, I suggest.

Mr. DIEFENBAKER: But we are repealing the old section 8 subsection 1, paragraph (g). The note on the opposite page states that the new section deals with paragraphs (a), (b) and (g), and the present paragraph (g) provides that any person who makes a voluntary assignment or transfer of property for the purpose of qualifying for a pension shall not receive a pension. If that is deleted, then the governor in council or the administration are placed in a position where they can

allow any person in this country who transfers his property with the intention of getting a pension to have a pension. They cannot prevent him, because it is now provided in section 9 that the pension authority shall defer the payment of pension until such property is reassigned or transferred, or until such time as the value of the interest that the pensioner or spouse had in such property is exhausted. What I want to find out is this. Will the fact that we are repealing this qualifying section 8, paragraph (g), allow some people to transfer their property and thereby make themselves pensionable? If so, it is a dangerous principle.

Mr. MARTIN: They then come under section 9 (1).

Mr. DIEFENBAKER: As long as the minister makes it clear that while we repeal that paragraph, we shall still deny to a person the right to have a pension if he transfers valuable property in order to qualify, I have no objection. Is that clear?

Mr. MARTIN: That is clear.

Mr. DIEFENBAKER: The question arose in my mind whether you were allowing such a person to qualify.

Mr. JACKMAN: The minister said that this bill should not be considered an adequate old age pension provision but really a contribution toward maintenance. I wonder if he would accept from me a suggestion along these lines. Many of our citizens, perhaps, a larger number than some of us would expect, contribute in excess of ten per cent of their income to benevolent and educational institutions, ten per cent being the present minimum under the Income War Tax Act. From what the minister said, it is obvious that if this amount of $30, even with a supplement in some of the provinces, is not sufficient to allow an elderly person to live, there must be money coming from some other source to keep body and soul together, and it would be of considerable help if the minister would use his good offices with his colleague the Minister of Finance to see that the ten per cent limitation on gifts to charity and education be increased to fifteen per cent as in the United States. I bring this up because there is an old men's hostel in my own riding, to which one of my constituents told me he was making a fairly generous donation, but that he would have to separate it over two or three years to come under the income tax brackets. If a person is willing to sacrifice a substantial part of his income the government should be willing to do its share in giving up its claim to tax.

Mr. JAQUES: Does the minister consider that this is the last word in old age pensions? Are we to look forward to receiving no better old age pensions than those indicated in this bill? What conditions will have to be satisfied in order that we may give to old age pensioners a better pension than they are getting under this bill?

Mr. MARTIN: I have stated that clearly, and I would call attention to the statement of the Prime Minister on that very plan.

Section agreed to.

On section 5—Pensions to blind persons.

Mr. MARTIN: We will let that stand.

Section stands.

On section 6—Payable monthly in arrears and during lifetime.

Mr. NICHOLSON: Why payable in arrears? Why not payable as the family allowance payments are made?

Mr. MARTIN: The family allowances are paid practically in arrears on the 20th of the month.

Mr. PROBE: If for any reason the pension is stopped, is there any procedure by which the minister could pass a regulation to postpone the date of the stoppage taking effect? I have in mind the case of a person receiving a pension which is stopped because he has exceeded the means test. He is not warned and the pension is suddenly cut off. Would it be possible—

Mr. MARTIN: That is covered in section 25 of the regulations under section 8.

Mr. PROBE: Then I will defer the question.

Mr. MILLER: May I ask what the new section 12 of the bill, as amended by section 6, is meant to do? That is with reference to the transfer of permanent residence.

Mr. MARTIN: As my hon. friend will recall, the existing section 12 dealt with a matter which now no longer requires to be dealt with because all the provinces are participating. The new section 12 deals essentially with the matters which were formerly dealt with under the existing section 13. It provides, as did the former section 13, that where a pensioner moves from one province in which he was granted a pension to another, the province to which he has moved will take on the responsibility of issuing future pension cheques. Of course this section deals only with the question of issuing pension cheques in cases such as the one referred to, and it does not deal with the question of the prov-

ince's responsibility for the provincial share of the pension. That, of course, is dealt with in the new section 13 which follows.

Mr. MILLER: Suppose a person moved from Manitoba to British Columbia. Would this section 12 make British Columbia pay the full rate to the Manitoba pensioner?

Mr. MARTIN: Yes.

Section agreed to.

Section 7 agreed to.

On section 8—Regulations.

Mr. MacNICOL: These sections have got me all mixed up. We have sections 5, 12, 11 and so forth. I wanted to ask a question upon the matter which has just been inquired about. What effect will the bill have on an immigrant, if I may call him that, coming from Great Britain? Is there any arrangement between Canada and Great Britain with regard to Canada carrying on the old age pension agreement which the immigrants who might be coming in here are living under over there?

Mr. MARTIN: I suppose I am out of order, but I might ask your indulgence, Mr. Chairman. As I said the other night, a conference on this type of problem with the commonwealth countries began some time ago in Great Britain. That conference reviewed this whole question. The work of that conference is not over. It will not resume its sittings until the fall, when the question will be up for further consideration.

Mr. MacNICOL: I am glad to hear that because, unless some such arrangement were made, the migration of people from the old land to this country would be seriously interfered with.

Mr. FLEMING: There has already been some discussion as to the effect of the existing regulations once this new bill comes into effect.

Mr. MARTIN: You are speaking on section 8 now?

Mr. FLEMING: Yes. In several of the answers the minister has given from time to time during the debate, I think he has assumed that, without any further act on the part of the governor in council, the existing regulations would automatically continue in effect even after the enactment of the measure now before the committee. I desire to suggest to him that that is not a prudent assumption to make. I do not intend to weary the committee now with any legal argument on the question, but I wish to submit to the minister as forcefully as I can that so much depends upon the regulations that no doubt whatsoever should be left as to the validity of the continued application of the present regulations after this bill comes into effect. The minister has laid great stress upon regulation 16 (c), apart from which, of course, the supplement paid by the province, in view of the admitted inadequacy of the present dominion pension, would be charged against allowable income and deducted from the $600 which is the maximum income allowed without deduction against the dominion pension. I wish to suggest to the minister that the effect of regulation 16 (c) is so important, so basic, that the committee should have from the minister now the assurance, on behalf of the governor in council, that as soon as this measure comes into effect the regulations, or such part of them as is necessary to carry out the effect I have just indicated, will be re-promulgated and there will be no question left whatever as to the validity and continued effect of the regulations such as 16 (c).

Mr. MARTIN: There can be no doubt about that. That is clearly covered in the act itself. All these regulations are made by the dominion and the provinces. The last regulations were promulgated in November and made effective as of May 15. They cannot be changed without the provinces' consent. That is clear according to section 19 (2) of the act.

Mr. FLEMING: What changes, if any, are contemplated in the regulations? Some days ago the minister intimated that certain changes were in contemplation. If he is going to go to the provinces for some changes, there is no problem at all raised in that respect.

Mr. MARTIN: The changes contemplated will be 2; (g) would have to go out in 2, and (e). The nationality clause in 8 would have to go out. In section 11, the residence clauses from (a) to (c) would have to go out. Twelve would have to go out. Those are clauses consequent upon the passing of their acts; but they cannot be changed without the provinces agreeing.

Mr. LOW: I should like to ask the minister with regard to a possible amendment to regulation 17 (a), paragraph 5. There has been some question about an award made under the Prairie Farm Assistance Act.

Mr. MARTIN: May I ask my hon. friend if he is referring to 17 (a) of the old regulations or the new ones?

Mr. LOW: Of the old regulations. That will remain in the new ones, will it not? That is the regulation which deals with income; it is 17 (a), subsection 5.

Mr. FLEMING: No, it is changed.

Mr. MARTIN: That is not the same as the one in the new regulations.

Mr. LOW: Well, whatever it is in the new regulations, I refer to the corresponding one. There has been some question with regard to an award made under the Prairie Farm Assistance Act. I believe that at one time a judgment was handed down to the effect that such an award made to a pensioner would be added to his income for the purpose of determining whether or not it exceeded $425, or now under the new bill, whether it would exceed $600. Would the minister consider amending whatever regulation would be effective so that any award made under the Prairie Farm Assistance Act would not be considered as income, because of this argument? The pensioner may have a small piece of land and may spend a quite considerable sum out of his meagre allowance that year in trying to earn his assistance under the Prairie Farm Assistance Act. Surely the money has been spent, and by no stretch of the imagination can anyone say that the small award which is made under the act would be income for the purpose of determining whether or not it is going above $600.

Mr. MARTIN: On that point I can only say that I will note what the hon. member says, and at the next meeting with all the provinces I will raise that matter.

Mr. LOW: I am quite sure that the minister is interested in seeing that these people get justice, and I will leave it at that.

I have one other point in connection with the regulations. It seems to me that some provision should be made for a deductible allowance from the income of the pensioner on account of a dependent other than his spouse. At the present time the only dependent considered by the act is the spouse. I would ask the minister to consider such a change, which, I understand, would have to be made in the bill, not in the regulations.

Mr. MARTIN: That comes under section 5. May we deal with that when we come to the proper section? I will note the point and answer it.

Mr. MacNICOL: The hon. member for Charlevoix-Saguenay is unavoidably absent. He came to me yesterday afternoon and asked me to present a case he had in mind if this section came up. My memory is that a gentleman in his constituency—

Mr. MARTIN: I wrote the hon. gentleman.

Mr. MacNICOL: He has given the minister the information?

Mr. MARTIN: Yes.

Mr. MacNICOL: Is there anything on *Hansard* about it?

Mr. MARTIN: No; he spoke to me about it privately, and I wrote him.

Mr. MacNICOL: I think it should be on *Hansard* as well; it will only take a minute. A gentleman in his riding lived in Canada until he was perhaps sixty years of age; then for some reason or another he went to live with his son in Massachusetts. That son finally died, and at the age of seventy-one the old gentleman came back to Canada. The hon. member wanted to know just what position that old man would be in and how long he would have to be here before he could apply for a pension.

Mr. MARTIN: He can qualify under the bill.

Mr. MacNICOL: Immediately?

Mr. MARTIN: Yes; he has lived here all his life except for that period.

Mr. WRIGHT: I wanted to bring up a question on one regulation. At the present time a man may have property to the value of $2,500, which on his death may be left to his heirs without any attachment against it as far as old age pensions are concerned. On the other hand, if a man has, say $2,000 in cash, the department insist that it be amortized, or they assume that a pension has been bought with it, and they calculate that $2,000 in with the old age pension, so that before the man dies the whole amount has disappeared. Why should a man with $2,000 in cash not be able to retain it and be in the same position as the man with $2,000 in property?

Mr. MARTIN: Under the new regulations we do not take away that money; we just declare it to have an annuity value as at seventy years of age, which in that instance would be approximately $119.

Mr. WRIGHT: But for all practical purposes it is used up, as far as his pension is concerned.

Mr. MARTIN: We put a valuation on property as well.

Mr. WRIGHT: No, you do not, though there is a very small amount deducted as a result of the man owning property; something like $60 a year.

Mr. MARTIN: A fair rental value. Formerly it was a percentage of the assessed value, which the provinces and the dominion felt to be an unfair imposition.

Mr. WRIGHT: I know in the operation of the Old Age Pensions Act in Saskatchewan the

value placed on a home is approximately $60 a year, but if a man has $2,000 invested in an annuity the value is considered to be approximately twice that. It seems to me that both men should be in an equal position. I know of cases where men have had a quarter section of land. When they come under the old age pension they feel they cannot operate that land any longer. They want to sell it and invest the money in a small home in town; immediately they sell the property, according to the regulations as they stood, the money they receive is considered to have been invested in a pension, and they do not have an opportunity to buy the home. It seems to me that they should be given that opportunity without the department considering it necessary for them to invest in an annuity.

Mr. MARTIN: They can buy a home with that money, and if they do, a fair rental value is determined, or the province administering the act does so.

Mr. MacINNIS: I believe we are now discussing section 8 of the bill, which is the section under which the regulations are made. In my opinion the regulations are extremely important, because they determine what the value of the pension shall be. I should like to ask the minister how much cash a pensioner may have without affecting his pension.

Mr. MARTIN: A single person could have over $2,000 without affecting his pension at all.

Mr. MacINNIS: Without its having any effect on his pension?

Mr. MARTIN: That is right.

Mr. MacINNIS: And it would not be taken into consideration in deciding what amount of old age pension he would get?

Mr. MARTIN: In that case it would not affect his pension at all; he would be $2 over.

Mr. MacINNIS: Is the home of the pensioner taken into consideration in deciding his pension?

Mr. MARTIN: Yes. Under the old regulations they used to take five per cent of the assessed value. As my hon. friend knows, assessments vary in different communities, and it was felt that this had worked injustices. So it was changed; and instead of five per cent of the assessed value being taken, what is taken now is a fair rental value of the property after all expenses, maintenance, taxes and so on, are deducted. I can give a pretty good example from an actual case I have before me. The property is assessed for $2,240. Taking ten per cent of the assessed value—it may not be that much or it may be higher, depending upon the community, but that is a fair standard which is being used by the provinces—that would be $224. In that case the taxes were $119.20; the insurance $12; the water rates were $12.21 and the depreciation would be about $44.80 at two per cent, which would make a total of $188.21. If you deduct those expenses from the percentage of the assessed value you would have a balance of $35.79 which is charged as income from the real property used as a home. Under the old regulations, in all probability the pensioner would have been charged five per cent of the assessed value, which in this case would be $112. So that the amount charged as rent would be reduced by the difference between $112 and $35.79, or by $76.21.

[Mr. Wright.]

Mr. MacINNIS: How does that fit in with sub-paragraph (i) of paragraph (a) of section 17 of the regulations?

Mr. MARTIN: That is an example of how it operates.

Mr. MacINNIS: I cannot see it in just the way the minister gave it. I may be a little dense, but this is what it says:

(i) The pension authority shall, in the case of real property that is used exclusively as a residence or shelter by the pensioner, consider as income an amount that, in the opinion of the pension authority, is fairly equivalent to the amount that the pensioner might reasonably be expected to pay for rent . . .

If the rent of such a building would be perhaps $20 a month, would this mean that $20 would be deducted from the pension?

Mr. MARTIN: Less all the expenses.

Mr. MacINNIS: Well, it is not quite so clear in regard to expenses:

. . . the pension authority may in its discretion deduct all or any part of the cost of maintaining such property, other than any payment of principal on any mortgage or agreement for sale thereon . . .

It seems to me that this regulation is drawn very loosely, and that unless it is better drawn there will be all kinds of room for chiseling boards to cut down the amount of the pension.

Mr. MARTIN: I will do my best to see that when we meet again—

Mr. MacINNIS: Well, when I see this bill I am doubtful of the minister's "best." It does not fill me with confidence. When someone asked about the amount of cash or liquid assets a pensioner may have the minister said that it was $2,000. Where can I find that in the regulations?

Mr. MARTIN: Section 17(b) (i). That is the income based on an annuity calculated

at the age of seventy years, instead of calculating at the actual age of the person. In other words, in respect of a man eighty years of age the annuity is not calculated at the age of eighty but rather at the age of seventy.

Mr. MacINNIS: I do not read that into this section. If a certain amount of cash is allowed, why not state definitely in the regulations that the pensioner may have that amount of cash without any deduction from his pension? Speaking here on Friday evening, the minister said on several occasions that Canada now under this bill has the most generous means test in the world.

Mr. MARTIN: That is right.

Mr. MacINNIS: I will not say I did not believe the minister, but I will say I did not agree with him. I have before me the social security monetary benefits and war pensions of New Zealand. In plain English it states that, in computing the value of the property held, no account is taken of home or furniture or any interest on land or mortgage on land, or the value of any interest in any annuity or in any unmatured life insurance policy. That is what a person can have in New Zealand. Then a person can have £500 in cash.

Mr. MacNICOL: That is $2,500.

Mr. MacINNIS: That is not the value of the New Zealand pounds in Canadian dollars; it is less than that. But the point I make is this, that if a man and wife have between them in the savings bank £1,000, the man may have £700 and the wife may have £300. It is considered that they have £1,000 between them, and there is no deduction because of that.

Mr. MARTIN: They may have $10,000 in Canada between them.

Mr. MacINNIS: Would the minister show me that in the regulations?

Mr. MARTIN: The regulations are clear, although my hon. friend says they are not. I say they are clear when they state:

> The pension authorities shall, in the case of personal property,
>
> (i) where the pensioner is not living with a spouse, consider as income the amount of an immediate Canadian government annuity, ordinary life plan, payable quarterly, purchasable with the proceeds of such personal property and calculated as of the age of seventy years in the case of an old age pensioner.

The hon. member has mentioned New Zealand. This is an important matter, and I should like the country to realize how important it is.

The New Zealand scheme calculates the value of the property held by a pensioner, exempting from the calculation the home or furniture of the pensioner, together with any interest in land or mortgages on land, or the value of any interest in any annuity or in any unmatured life insurance policy. If the value of the pensioner's property after these exemptions is found to be less than £500 ($1,610), no deduction is made from the pension. If, however, the value of the property as thus calculated after exemptions exceeds £500, then the benefit received by the pensioner is reduced by £1 for every complete £10 of such excess.

Let us take a simple, clear-cut example. Suppose an applicant for pension has cash or liquid security amounting to £1,540. The first £500 is ignored completely, but the benefit received by the pensioner is reduced by ten per cent of the remaining £1,040, namely, £104. In this case, therefore, the applicant would be ineligible for pension, because the pension itself amounts to only £104 a year. In other words, a person with liquid assets of $4,958.80 is ineligible for pension in New Zealand.

What would the position of a person similarly situated be in Canada under this bill and these regulations? If a person having $5,000 in the bank applies for old age pension in Canada, the annuity value of $4,750 of this amount is calculated on the basis of the Canadian annuity tables, single life plan at age seventy, regardless of the actual age of the pensioner. According to these tables, the annuity value of $4,750 in the case of a male aged seventy is $566.15. In the case of a female aged seventy the annuity value of this same $4,750 is $484.69; the difference is accounted for by the longer life expectancy of females. It will be seen, therefore, that deducting these amounts from the $600 maximum allowable income permitted to pensioners in Canada under these amending provisions, a person with $5,000 in liquid assets will still be eligible for a small amount of partial pension. In the case of males, the amount would be only nominal, $2.82 a month; in the case of females, it would be more substantial, amounting to $9.61 a month.

As my hon. friend knows, and as I have already said, in New Zealand they would be ineligible.

Mr. GREEN: But they could have a home there, could they not?

Mr. MARTIN: They could have a home here, too.

Mr. GREEN: But if they have they would come under different regulations and the rental value would be deducted from the pension.

Mr. MacINNIS: What is the value given for £500, New Zealand?

Mr. MARTIN: It is $1,610.

Mr. NICHOLSON: I should like to refer to the regulations. Does a self-contained domestic establishment, which is described as a dwelling house, apartment, or other place of residence, include a single room?

Mr. MARTIN: Yes.

Mr. NICHOLSON: Would a room where the applicant had a stove, furniture and bed be a self-contained establishment?

Mr. MARTIN: Yes.

Mr. NICHOLSON: Then, regulation 5 (2) states:

(2) Where an application has been so approved and a pension is being paid, the pension authority shall, each year during the lifetime of the pensioner, cause an investigation to be made into the circumstances of the pensioner and the use to which the pension is being put to determine whether such pensioner continues to be eligible for pension and the amount thereof.

It has been my experience, and I am sure, one which has been shared by other hon. members, that many elderly people in Canada hesitate before applying for pension. They object to people prying into their meagre affairs. Has any discussion been held with the provinces to see whether, after a pensioner has been declared eligible, the annual inquiries could be dispensed with?

Mr. MARTIN: That provision was inserted at the request of most of the provinces, which felt that the pensioners in their own interests should be visited once a year. There were cases where pensioners did not know the law, and so on. They did not know the income limits and, because no one came to them, they were being discriminated against. In some provinces that was a regular practice, and this was intended to be in their interest as well as to assist in the proper administration of the act. I may say that Saskatchewan took a strong view on this matter.

Mr. NICHOLSON: Section 15 of the regulations reads:

15 (1) If an applicant, while resident in Canada, has temporarily absented himself therefrom for the purpose of engaging in

(g) missionary work with any religious group or organization in Canada which supports missionaries abroad

and, at the termination of such employment, be returned to Canada, he shall be presumed to have continued to reside in Canada during such absence, if, during the period thereof, he had in Canada a permanent place of abode to which, whenever he was absent therefrom, he had the intention of returning, or he maintained in Canada, a self-contained domestic establishment.

I imagine that most missionaries with their meagre incomes are unable to maintain a permanent place of abode in Canada. Would the minister explain why this appears?

Mr. MARTIN: A family home would cover that.

Mr. NICHOLSON: I think that should be redrafted, because many missionaries have no family home and yet they regard Canada as their residence. The minister should consider some different wording.

Mr. MARTIN: I cannot change it; it has to be changed with all the provinces. I think there is something in what the hon. member says, and at the next meeting I will see that that is gone into.

Mr. LOW: In the course of the debate that has taken place on this bill, a good many things have been said about the regulations and many things have been said about the responsibility for the regulations as they appear appended to the act. It has been said, I think by the minister himself, that the provinces are responsible jointly with the dominion for the regulations. I think it would be wise to have established just exactly where the responsibility does lie. Is it the responsibility of the federal government to lay down these regulations, and do they in fact lay them down? Are they accepted by the provinces after they have been laid down by the dominion, or is it the practice to call in the provinces and have them sit around the table jointly with the dominion authorities to make the regulations? I should like the minister to take some care and place that matter exactly on the record.

Mr. MARTIN: There can be no doubt about that, because the act is quite clear. My hon. friend will appreciate my reasons for saying that, because he was once a member of the interprovincial old age pensions board and, I think, a most useful member of that board. He will remember the provisions of section 19(2) of the act which state:

No regulation by reference to which any agreement with a province has been made shall be altered except with the consent of such province or in accordance with the provisions of the regulations to which it has agreed.

We cannot make those regulations alone; we make them sitting down with the representatives of all the provinces. We have two representatives at the meeting, and the provinces combined have eighteen representatives. Those meetings are generally attended by responsible ministers and often by deputy ministers. At the meeting in November last,

when these regulations were drawn up, Alberta was represented by the chairman of the old age pensions board and Mr. Blackie; Ontario was represented by the minister of welfare, his deputy, Mr. Heise and also Mr. Green, chairman of the old age pensions commission; Saskatchewan was represented by Hon. O. W. Valleau and Mr. J. S. White; Quebec was represented by Hon. Mr. Sauve and J. R. Forest; all the provinces were represented, and no regulation can be made without the sanction of a majority of those attending the conference pursuant to section 19 (2) of the act.

Mr. LOW: It is true that in 1937 I did sit on that interprovincial board, but I do not think the minister has stated the case at all clearly or at all correctly. I refer him to the amended section 19(1) which will read:

> The governor in council may make regulations not inconsistent with this act, for carrying out the purposes and provisions of this act, and without limiting the generality of the foregoing may make regulations providing for . . .

Then in the act follows a long list of paragraphs from (a) down to (u). In connection with those matters, the governor in council may make regulations without reference to anyone. Paragraph (r) reads—

Mr. MARTIN: Not inconsistent with this act, and section 19(2) is part of the act.

Mr. LOW: I am taking that into consideration. Paragraph (r) reads:

> (r) the constitution and powers of an international board to interpret and recommend alterations in the regulations.

That interprovincial board has no other power than the power to interpret, the power to come to unity with respect to interpretation for administrative purposes. While it is sitting, it may make recommendations with respect to alterations, but no other powers are granted to that board and no other powers have ever been asked by that board. For that reason, I say that notwithstanding what is in section 19(2) which reads:

> No regulation by reference to which any agreement with a province has been made shall be altered except with the consent of such province or in accordance with the provisions of the regulations to which it has agreed.

As I say, notwithstanding that, the responsibility for these regulations rests squarely upon this government and upon no other body. All the interprovincial board can do is to interpret and make recommendations for alterations and nothing else. I submit that that is the situation and, no matter how anyone may try to twist subsection 2, he cannot make that subsection read any other way.

Mr. GREEN: I am informed that where an applicant for old age pension has a life insurance policy, the surrender value of that policy is taken into account in determining his income. Is that the case?

Mr. MARTIN: Only if he himself can realize on it.

Mr. GREEN: In most cases the person holding insurance can do that. It seems unfair that an applicant who has taken out a policy for the protection of his widow should be faced with a provision that the surrender value of that policy must be taken into account. Why is that done? There is nothing in the regulations here that provides for that?

Mr. MARTIN: If it were made out to his widow he could not retract it.

Mr. GREEN: I do not think the minister is right. It certainly could be surrendered. Is it a fact that if the policy is payable to the widow the surrender value is not taken into account? I am informed that it is, that they do not consider whether it is payable to the widow.

Mr. MARTIN: It is only taken into account when it is a policy which he himself can cash and from which he benefits.

Mr. GREEN: He could cash the other with the consent of his beneficiary. Would the minister look that up and find out what is the practice?

Mr. MARTIN: I have given the practice, but I will look it up again.

Mr. GREEN: Under the Veterans Allowances Act, which is similar legislation, an applicant veteran is allowed to have a home up to the value of $4,000 without its being considered in his application for allowance. Why are we handling old age pensions in a different way? Why do we not allow these people to have their homes free, without having the pension reduced accordingly? It seems to me that would be one way of encouraging a person to buy a home and pay for it. Why have we gone back in the other direction under the old age pension regulations?

Mr. MARTIN: What we have been trying to avoid is the creating of too great a preference between an old age pensioner with a home and one who has not one. What we have done in these regulations is to try to make it fairer by giving a fair rental value to the property rather than, as under the old regulations, fixing the rental value on the basis of five per cent of the assessed value of the property.

Mr. GREEN: There is no doubt that it is an improvement but I do suggest it would be wiser to allow them to have a home up to the value of $4,000 without taking it into consideration at all.

Mr. MILLER: On that question of insurance, just before I came here I was working on a proposition such as that indicated by the hon. member for Vancouver South. An old chap had a life insurance policy. It is one of the kind on which you have to pay until you die to win. The premium was $87 a year.

Mr. MARTIN: Who was the beneficiary?

Mr. MILLER: The widow. In spite of that, the cash surrender value of the policy was included in the amount of his assets upon which the annuity table was written.

Mr. MARTIN: The regulations do not authorize that. I wish the hon. member would give me that particular case.

Mr. MILLER: I have already written to Winnipeg and asked them to give me the details.

Mr. MARTIN: Will you speak to me about that?

Mr. MILLER: I shall be glad to. I have another point. What happens to a small estate, such as a $2,000 house which an old age pensioner may own at his death? Do they allow that as an exemption on his estate?

Mr. MARTIN: We are prepared to waive our rights if we can get an agreement with the provinces on that.

Mr. MILLER: At the moment it is subject to a lien, is it not?

Mr. MARTIN: In some provinces. We sent a letter out to the provinces some time ago on this very point, through the deputy Minister of Finance, offering to do that very thing.

Mr. MILLER: Under what section of the regulations is that provided?

Mr. MARTIN: If we can get an agreement with the provinces we propose to incorporate that in the actual agreement which would have to be signed pursuant to this act.

Mr. PROBE: I have had a question for the minister for some time now. The question is this: This happens quite frequently. For some reason, either through ignorance or otherwise, an old age pensioner gets an income which causes him to be cut off from further pension payments for a period of time, for six months or a year and a half. Apparently the practice has been to cut him off without warning. In practically all cases this causes a considerable hardship, because, if he received an income which makes him no longer pensionable, he is suspended in all probability and then he is destitute. Will the minister give some consideration to giving him a couple of months' notice that he is about to be cut off, so that he can get his affairs in order or make some alternative arrangement during that period in which he is penalized?

Mr. MARTIN: Under section 24 (2) the payments are distributed.

Mr. PROBE: Have they been in the past?

Mr. MARTIN: No, that is new.

Mr. MacINNIS: Can we not give the pensioner some better deal than that without increasing the payment of money involved; indeed, I think reducing it? This evening the minister said that the pension was not supposed to be a living income. If the pensioner could for a time find some employment that would bring him an income, is there any reason why he should not notify the pension board, and then he would be cut off the pension while he was working and as soon as his work was finished his pension would be restored?

Mr. MARTIN: I do not see why it could not be done.

Mr. MacINNIS: I have another question. I suppose it stems from the difficulty I experience in reading legal language.

Mr. MARTIN: What section?

Mr. MacINNIS: Section 17 (b) (ii), of the regulations which reads as follows:

> Where the pensioner is living with a spouse, consider as income in respect of each spouse, the amount or annuity purchasable with the proceeds of the personal property of each spouse respectively . . .

I am wondering what is meant by "each spouse" where at the beginning he was living with only one.

Mr. MARTIN: That means husband and wife. The word "spouse" under the general interpretation section means either one. I used to have that difficulty.

Mr. NICHOLSON: In connection with section 21 of the regulations, I notice the following:

> Every pension shall commence on the first day of the month following the month in which

the application is approved; provided that where such approval is given after the last day of the month in which the application was received by the pension authority . . .

A little later on, provision is made if through no fault of the pensioner there has been an unnecessary delay in completing the form. The section goes on:

. . . The pension authority may, in its discretion, declare that such approval shall be effective as of an earlier date which shall, in no case, be prior to the first day of the month following the month in which the application was received . . .

I wonder whether it would be reasonable to have it mandatory, so that if the fault was not the fault of the pensioner the payments would start from the time that the pensioner reached the required age. Has the minister given consideration to going farther and striking out the words "in its discretion".

Mr. MARTIN: We can consider that. We cannot change these regulations without sitting down with the provinces. I will note what the hon. member has said.

Mr. NICHOLSON: In connection with section 28 of the regulations, I wonder whether the minister has any further information. The section reads:

The amount recovered by a pension authority from a pensioner or from the estate of a deceased pensioner in respect of any pension shall be distributed among the province granting the pension, the dominion and any other province...

Has the minister a statement on the last correspondence with the provinces with respect to the proposals made to the provinces regarding the recovery of these amounts?

Mr. MARTIN: I have the minutes of the whole conference.

Mr. NICHOLSON: How long are you going to insist on considering these as really predeath loans with attempts to recover these small amounts?

Mr. MARTIN: We waive our rights on estates under $2,000 and are prepared to incorporate that in the agreements we have with the provinces.

Mr. NICHOLSON: That does not appear in these regulations?

Mr. MARTIN: It is a matter of agreement.

Mr. WRIGHT: I am considerably confused with regard to who is responsible for these regulations. The minister has said that the provinces and the dominion are jointly responsible in the making of these regulations. The hon. member for Peace River has certainly stated a different proposition. I believe that he as a member of the board which made these regulations in 1937 or 1938, should know something about them. Are these regulations presented to the provinces as an accomplished fact when they come here, or can any province offer changes? We will say that in the regulations as they are drawn up and presented to the provinces when they come here to discuss them, the amount of property which a pensioner may have is set at $2,000. One of the provinces may think that is not enough and may think it should be $3,000. The majority of the people in the conference vote $3,000. The dominion does not want it raised. The majority want it raised. Then the regulations will call for $3,000. Am I to understand that?

Mr. MARTIN: We cannot go against the act which is as clear as anything can possibly be. The provinces come here with representatives numbering eighteen. We have two representatives. They and we sit around and discuss the matter. The last time they met for four days discussing these regulations and there was, I may say, nothing but accord on most points. As a result of discussion, a compromise was effected. But it is a conference of nine provincial governments and the federal government, each being a government, each having its view as to what should be done; and there is no question that whatever may be tried by anyone—and I am not suggesting that anything has been tried by any particular group—they are clearly governed by the law itself, behind which no one can go.

Mr. JACKMAN: Can the minister give the committee any enlightenment as to whether the $10 which the province of Ontario is giving will be included in the maximum allowable income, or is it in addition to the $600 for a single person?

Mr. MARTIN: I was not able to answer the hon. gentleman's question in that regard the other night, as to whether Ontario would increase it by way of a pension or a supplement.

Mr. JACKMAN: You do not know any more now?

Mr. MARTIN: No, but it is under section 16 (c) if it is a supplement.

Mr. JACKMAN: In that case, taking the best interpretation that can be put upon it, namely, that the $10 supplement will be allowed in addition to the $600 maximum income for single people and $1,080 for married people, I would point out to the committee just how this works out and why it is that I am very much against the means test and hope that at the earliest opportunity it can be abolished. As it stands now, if a person is

allowed an outside income of $240, which, added to the $360 dominion pension, makes $600, an amount of $20.90 a year saved by the individual from the age of thirty until the age of seventy would accumulate a sum sufficient, under the government annuities branch, to produce the amount of $240.

I claim that $21 a year is not a large amount to save, and yet there is no incentive whatsoever for a single person to save beyond $21 a year unless he can save more than $50 a year, which would bring him into the brackets of over $600 a year through the purchase of an annuity with these annual savings; or in the case of a married couple, putting the best interpretation on the Ontario addition of $10 a month, they are now allowed $360 of independent income beyond their dominion government pension, and to accumulate that amount of money between the ages of thirty and seventy would require an annual saving of $31.44 or, in round figures, $31. There is no use in saving beyond that amount a year unless they can save more than $94, $94 being sufficient to buy them an income of $1,080 if saved over a period of forty years.

So that you have that large area for a married couple, saving between $31 a year and $94 a year, which practically embraces about seventy-five or eighty-five per cent of our whole population, and there is no use in people saving beyond $31 a year unless they can save more than $94 a year. That to my mind, as I am sure it will appeal to the minds of all hon. members, is an extraordinary situation and one which should be rectified at the first opportunity. I saw nothing substantial in this bill which goes toward that rectification. When you have a means test such as we have had, old people who might be able to earn a reasonable amount of outside income by serving as handy men or watchmen or doing work of that kind, are prevented from engaging in these useful pursuits, because anything they earn merely reduces what they otherwise would have through government old age pension.

I suggest that great consideration be given to the point I have made, that it is inadvisable for married people to save beyond $31 a year unless they can save more than $94. That amount may not sound like a large sum to many members here; but when it is realized that the average citizen cannot purchase his own home, even a humble home, a saving of nearly $100 a year is a very substantial amount, because they find great difficulty in making ends meet without providing for their own old age, as I am sure the minister will admit, since that is the sum and substance of the matter that is before us.

So that when we put this halter on savings, this premium on thriftlessness, it works against all our people. I would point out to the minister that many companies throughout the country are today putting into force a company pension or retirement plan, and very few of them can hope to give their employees more than $1,080 a year, which is what the dominion pension, plus outside income of $360, would allow. In fact, if that pension amounts to $300 or $400 or $500 at the end of the working term it will be quite an achievement in view of what has gone on in the past and what has been possible.

I believe that if the government does not do something to eliminate the means test, particularly in the lower brackets, it will work to the disadvantage of men who would otherwise receive some recognition from the companies for which they work. I would ask him to give the matter even fuller consideration than he has so far given, because I can imagine nothing that works against the principle of self-help, which we should encourage in our people, so much as the operation of the arrangements which are now being put on the statute books. I would ask the minister to do something about this at the earliest opportunity, if not tonight, because the further away he postpones the opportunity which should be given to people to provide for their own old age, the more trouble he is heaping up for himself in the years to come. If he would make it possible for people to become reasonably self-sufficient; if he would give them an incentive instead of taking it away from them, his labours in the future would be lightened. I hope the time will come before long when we shall have a compulsory contributory old age pension plan for our old people.

Mr. MARTIN: My hon. friend said the same thing in the budget debate—

Mr. JACKMAN: That was another principle altogether. The government does not understand its business, if I may say so.

Mr. MARTIN: He also said it to me privately and perhaps it was there that he said it, but I thought he said it in the budget. I have noted with great care what he has said, but I would point out that we are dealing with a different class of people, people who, throughout their lives, have not had enough money to put into an annuity.

Mr. JACKMAN: I cannot conscientiously advise a person who has enough money to save beyond $31—that is, speaking of married

couples—unless that person can save beyond $94, because you make it foolish for them to do so.

Mr. MARTIN: With regard to a contributory scheme, I said in my opening statement what my views were, that while in a federal state, with great physical expanses, difficulties are presented in the realization of a contributory scheme; nevertheless, in spite of difficulties as compared with unitary states and smaller communities, I believe there can be no question that that is the direction toward which, not only for old age pensions, but for all social insurances, we must head. That is the direction we ought to bear in mind. There are difficulties, constitutional and otherwise, but these difficulties will, I believe, have to be met some day, and perhaps sooner than many of us think.

The CHAIRMAN: I would remind the committee that we are considering section 8, which deals with the regulations, and the discussion of the means test on this clause is not strictly in order. I think the committee should see that all discussion is strictly relevant.

Mr. McCULLOUGH (Assiniboia): The hon. member for Melfort expressed some concern regarding the manner in which the regulations are made and who will make them. I, too, feel somewhat concerned about this. In the first place, the provinces contribute toward the payment of old age pensions, and I think we should have a clear statement from the minister as to just who makes those regulations. I think he is just skating around answering the question when he states that the provinces sit down in consultation with the federal government and then come to some sort of compromise. In a hypothetical case such as that given by the hon. member for Melfort, will the minister state whether or not, in the case of the provinces agreeing to certain regulations—that is, where you have a majority deciding on certain regulations—the federal government would agree to them? My second question is with regard to old age pensioners having a home having a sale value of perhaps $3,000. Suppose they were living in Saskatchewan and wanted to move to British Columbia, and they sold that property. What would be the regulations governing that situation?

Mr. MARTIN: With regard to the first question, I cannot add anything to what I have said. With regard to the second question, I call the hon. member's attention to regulation 18 (4).

Mr. MacNICOL: I have two short questions to ask, and I shall be brief. I believe, when the bill was introduced, or at some stage before the house, I called to the minister's attention the case of an old lady whom I know quite well. She was on old age pension and was compelled later to sell her house. She bought a smaller one. She was not compelled to sign papers providing that, in the event of her death, her little estate would lose that property. Is there now some regulation which does not compel a pensioner to sign away her property rights?

Mr. MARTIN: There is no regulation now which compels them to sign away property.

Mr. MacNICOL: This is in Ontario. I am under the impression that there must be some regulation.

Mr. MARTIN: There is in some provinces.

Mr. MacNICOL: That may apply in Ontario. I was interested in what the hon. member for Rosedale said about penalizing thrift. I know of another case, that of an old couple who live in a rented house. I know them very well. They are both perhaps seventy-five years of age. A death had occurred in the family, that of the brother of the wife, the female pensioner. It took every dollar they had accumulated to pay the funeral expenses. Then the old lady took in a couple of boarders and the old gentleman went out to work for an institution. They were both on old age pension. To their surprise, somebody came and ascertained that one was keeping two boarders and the other was working out, and they were both penalized to the extent, I believe, of something over $11 a month each. Penalizing an old couple, both up around seventy-five years of age, was, in my judgment, a severe attack on thrift.

Mr. MARTIN: We have now raised the income limit, inclusive of pension, from $850 to $1,080.

Mr. MacNICOL: Then they would be quite safe.

Mr. MATTHEWS (Kootenay East): Now that we are dealing with section 8 on the regulations, there is a matter in which I am somewhat interested. The hon. member for Mackenzie read from the regulations a few minutes ago; I do not happen to have a copy before me—

Mr. MARTIN: Is that on section 8?

Mr. MATTHEWS (Kootenay East): Yes. I think it is generally understood that the period varies between the time the application is made and when the pension is granted.

Sometimes this period may run into several months. What I should like to know is this. Is the pension paid as from the date of application or only from the date of the granting of the pension?

Mr. MARTIN: I would refer the hon. member to regulation 21:

(1) Every pension shall commence on the first day of the month following the month in which the application is approved; provided that where such approval is given after the last day of the month in which the application was received by the pension authority and delay in approval has resulted from circumstances beyond the control of the applicant, the pension authority may, in its discretion, declare that such approval shall be effective as of an earlier date which shall, in no case, be prior to the first day of the month following the month in which the application was received by the pension authority . . .

Mr. MATTHEWS (Kootenay East): That is the very point I am interested in. I have known of cases where this period has extended over a good many months. It seems to me that if the pension authorities wish to do any chiseling, they have a good opportunity there to keep stalling people off month after month. It is my suggestion that the pension should be retroactive from the date of application.

Mr. MARTIN: If my hon. friend will compare the regulation I have just read with the old regulation, he will see that we have tried to meet that problem.

Mr. MATTHEWS (Kootenay East): That is where I think these people need more consideration. If a person is pensionable at the age of seventy but does not apply for pension before he has reached the age of seventy, he should not have to wait for six, eight or ten months; he was just as pensionable when he reached the age of seventy as he was ten months later. The pension should be payable from the date of application.

Mr. JOHNSTON: I wish to say a word on this section. I spoke the other day in regard to the making of regulations. The hon. member for Peace River carefully outlined to the house the method which was used when the provinces and dominion met; he pointed out clearly that the regulations are already made and laid before them and they can then discuss procedure as to administration. The act is quite clear; and although the minister has said that when the regulations are made—and I think I am using his own words—the provinces along with the federal authorities make the regulations. That is not according to the act.

Mr. MARTIN: That is an important point. I have stated the position often, and what I have said is the case. Where does my hon. friend get the authority for the statement he has made? I can only repeat that the act is clear in the matter. We cannot do that. This is a matter of joint arrangement with the provinces, and I am happy to say that the last meeting; the only one of which I have any knowledge, was a harmonious one and lasted for four days. The parties met on the questions and decided upon regulations which they believed to be in the best interests of the administration of this act. If my hon. friend does not believe that, all right; I cannot say anything stronger than what I have said. But that is clearly the case, and I think he knows me well enough to accept that.

Mr. JOHNSTON: I suggest to the minister that section 19 (i) should read in this fashion, "The governor in council, together with the provinces, may make regulations." If those words are added, it will definitely imply what the minister has said.

Mr. MARTIN: No. Somebody has to pass the regulations. Then they have to become law. The provinces meet with the dominion, as they did last November for four days; then they make regulations, and the governor in council gives them the effect of law. Otherwise they would not have the effect of law. That is the purpose of this section.

Mr. LOW: If a majority of the eighteen representatives of the provinces met here in Ottawa and decided on a certain regulation or change in a regulation, if they then recommended that to the minister, is he bound to put it through? That is a simple question. Is the minister bound by a majority decision of the provincial representatives?

Mr. MARTIN: I cannot say any more than I have already said three times.

Mr. LOW: But it is important that the minister answer.

Mr. MARTIN: I have answered it three times.

Mr. LOW: No, you have not answered it.

Mr. MARTIN: There is the law, and it is as clear as daylight. I must be at fault.

Mr. LOW: I think the members of the committee are entitled to an answer to that question. It is a simple question and the minister can answer it yes or no. I could tell him what to answer, and I would be right. The answer is no; he is not bound. That is right, and I will go farther; the minister will disagree if I am wrong. This is only for the purpose of clarifying this whole matter. If the eighteen representatives of the prov-

inces at that interprovincial board meeting here should be unanimous in their adoption of a regulation or their recommendation of a change in an existing regulation, would the minister say he would be bound even by that?

Mr. MACKENZIE: No.

Mr. LOW: No, he would not, simply because the responsibility is with the federal government and no one else.

Mr. LOCKHART: I just want to make one point clear, and to amplify what has been said by the previous speaker. The minister has indicated that there are some agreements and some regulations still not complete?

Mr. MARTIN: None of the agreements has been completed.

Mr. LOCKHART: There will be further modifications?

Mr. MARTIN: As soon as this bill becomes law we shall have to obtain agreements.

Mr. LOCKHART: The minister said it was expected that there would be further meetings with the provinces at which certain matters could be taken up. One question came into my mind in connection with the $2,000 of property value that might be left in the hands of the pensioner. Some of the provinces have been conceding that, and for some time they have been as lenient as possible in the administration of the regulations. As the previous speaker said, the provinces come here and they have cases in which the regulations are working an injustice. Then it is within the discretion of the minister to allow any change to be made in the regulations or any amendments, even if all the provincial governments are agreed. That is correct, is it not?

Mr. MARTIN: Go on.

Mr. LOCKHART: That is correct?

Mr. MARTIN: Yes.

Mr. LOCKHART: Is that fair to the provinces, who are supplementing the pension, doing their best to give pensioners reasonable security? Is it fair to hold the provinces down to that extent?

Mr. MACKENZIE: It is not holding them down.

Mr. MARTIN: I do not understand what the hon. member for Lincoln means when he says that.

Mr. LOCKHART: As the hon. member for Peace River said, eighteen representatives of the provinces come here and agree unanimously to a certain proposed change in the regulations. Are the provinces not allowed to have any say in this matter, by agreement or otherwise, in order to make any change under the regulations, in view of the fact that they are paying increased sums to help bring more security to the people of their provinces? I am just a little bit concerned when the minister says—and not only the minister, but some other members of the government—that the answer is definitely no, and that the federal authority could dominate the situation—

Mr. MACKENZIE: No one said that.

Mr. LOCKHART: I think the minister who is interrupting me was the one who said it.

Mr. MARTIN: The regulations are a contract. They cannot be changed except by agreement between parties, and I cannot say more than that.

Mr. MACKENZIE: It is a matter of co-operation and consent.

Mr. LOCKHART: If the regulations are shown to be working a hardship they cannot be changed without the consent of all the provinces?

Mr. MARTIN: That is right.

Mr. LOCKHART: But even if all the provinces want them changed the government can still veto any change which might be proposed.

Mr. MARTIN: I can only point out for the fifth time the implications of the section, which are pretty clear. If my hon. friend and I want to make a contract we sit down around a table and discuss the matter. If we do not agree we cannot have a contract. We cannot pass any regulation by ourselves, and they cannot pass any by themselves. It is a matter of mutual agreement. Surely the situation is clear.

Mr. LOCKHART: No, it is not.

Mr. MARTIN: Then I cannot make it any clearer.

Mr. LOCKHART: Are there matters that are still under consideration between the provinces and the dominion?

Mr. MARTIN: No.

Mr. LOCKHART: Nothing?

Mr. MARTIN: No; we get along very well.

Mr. LOCKHART: Then what was the reason for the minister saying he was going to take up certain matters?

Mr. MARTIN: I was referring to agreements under section 2 of the bill.

Mr. LOCKHART: Then there are agreements still to be effected?

Mr. MARTIN: When this bill is passed, the provinces will be called upon to pay more money, and the bill will likewise be imposing upon the dominion an additional financial obligation. When the bill is passed we shall sit down with each province and execute an agreement pursuant to section 2 of this bill. That is what I am talking about, not the regulations.

Mr. MacINNIS: We should be clear, I think, as to what is meant by the agreement the minister is talking about, and my feeling is that there is some misunderstanding now. From my reading of the bill, and particularly of this section, the governor in council may make regulations not inconsistent with this act for the carrying out of the purposes of the act. The governor in council is this government. That provides for regulations covering pensions under sections 4 and 5. That means they will make agreements with the provinces on the basis of $30 or whatever lesser amount a province is prepared to pay. The point I want to get the minister's word on is that the federal government has no control whatever over the supplemental payments the provincial governments may make, that they may make these supplemental payments under whatever regulations they wish. Is that so?

Mr. MARTIN: Yes; that is purely their own affair.

Mr. MacINNIS: All that is provided under this bill, then, is that, according to the regulations that have been made, with the provinces and the federal representatives sitting in, the government will pay a pension of $30 or whatever lesser amount a province may pay, subject to the provisions of sections 4 and 5 of this bill?

Mr. MARTIN: Yes.

Mr. MACDONNELL (Muskoka-Ontario): The questioning has become so popular I do not see why I should not get in on it also. Did I understand the minister to say that in order that the dominion might make a change in the agreement with New Brunswick, let us say, all the other provinces had to agree. Did I understand that?

Mr. MARTIN: No.

Mr. MACDONNELL (Muskoka-Ontario): All that is necessary is agreement between the dominion and New Brunswick?

Mr. MARTIN: There was confusion between the regulations and the agreements. An agreement is a matter between the province and the dominion under section 2 of the bill.

[Mr. Lockhart.]

Mr. MACDONNELL (Muskoka-Ontario): That is what I thought. Then I misunderstood you, and perhaps some others misunderstood you also.

Mr. BENTLEY: I have a couple of questions to ask the minister which the other night he advised me would come better under this section of the bill.

Mr. MACKENZIE: This is a filibuster.

Mr. MacINNIS: My hon. friend should know a lot about filibusters; I have seen him in a few.

Mr. BENTLEY: The minister who made that side remark probably knows all about it. If he wants to make it appear that way I can assure him he will get plenty of it. I am trying to get information.

An hon. MEMBER: Carried.

Mr. BENTLEY: No, it is not carried. The minister had an opportunity a minute ago to save a lot of time by answering the question asked by the hon. member for Peace River. He has not yet answered it. It could have been answered briefly.

Mr. MARTIN: I did my humble best, as the hon. member knows.

Mr. BENTLEY: If he did his humble best, then I would advise him to try something better, because it could be answered yes or no. The other evening, when I was talking about this matter I asked the minister a question. I took the hypothetical case of a province deciding that from its income it could make provision for a great number of its citizens, not old age pensioners, but others, who could receive, from the provincial treasury or from some other source over which the provincial government would have control, payments to increase the income of those citizens. If that were done, would it be considered supplementary and, therefore, not deductible from pension? The minister replied that if it came within section 16—

Mr. MARTIN: Section 16 (c).

Mr. BENTLEY: I have not the new regulations. But I have the office consolidation of the old ones and section 16 (c) is not here.

Mr. MARTIN: The hon. member has the wrong regulations.

Mr. BENTLEY: I have not the new ones. However I am correct in understanding that that would be a supplementary payment. But any money coming from any private source or from other than a government source would not be supplementary and would, therefore, be deductible.

Mr. MARTIN: If it is income, yes.

Mr. BENTLEY: I have another question to ask. These regulations I have are dated 1944.

Mr. MARTIN: Let us discuss the new ones.

Mr. BENTLEY: I will see if this is in the new ones. Yes, I find it is the new regulation 24 which, under the heading "Suspension of Pension," states:

> The payment of a pension shall be suspended (a) during the absence of a pensioner from Canada; provided that the pension authority may continue the payment of pension for any period of absence not exceeding ninety days in any one year where, in the opinion of the pension authority, the circumstances warrant such payment.

That is a slight improvement over the old one. But I would ask this question: Why does there need to be any time limit on a pensioner's being in another country if that country is better for him, or if his health is better there? If he has earned, by having been a resident of Canada, the right to receive an old age pension from Canada, why should he be restricted as to his movements after that?

Mr. MARTIN: I do not think we can possibly ask the people of Canada to pay money to people, let us say, living in the state of Colorado or California.

Mr. MacINNIS: Can a judge leave Canada on his pension?

Mr. BENTLEY: It becomes a matter of opinion. I do not see why the people of Canada—and I am one of them—should object once in a while to pay a pension because the pensioner who has attained a certain age in this country wishes to go to another country.

Mr. MARTIN: Does any other country do it?

Mr. BENTLEY: Mr. Chairman, I do not believe that ever in any debate I compared Canada with any other country.

Mr. MACKENZIE: You all do.

Mr. BENTLEY: I never do.

Mr. MACKENZIE: You do, with New Zealand, all the time.

Mr. BENTLEY: I never do; that is an absolute misstatement of fact. The only comparison I make is what Canada can do with what Canada does do.

Mr. MARTIN: My hon. friend surely is not asking us to do something in that regard that no other country is doing. Surely he is not suggesting that.

Mr. BENTLEY: I am not concerned with any other country.

Mr. MACKENZIE: You all are over there.

Mr. BENTLEY: If we agree in Canada to pay somebody a pension because of certain qualifications he has gained here, then why should he not have that pension, no matter whether he goes to Oregon, Colorado, or up to the Yukon if he likes? And someone has mentioned that when judges are placed on pensions they can live where they like. Why does Canada pay a judge a pension if he goes to California or to the Riviera? Why is the old age pensioner singled out as having to stay in Canada when he is likely to be a citizen who probably needs a better climate than Canada can provide? What is wrong with being somewhere else?

Mr. MARTIN: It is wrong for the reason that the present Prime Minister of New Zealand said the same suggestion was wrong, when the matter was discussed in the New Zealand legislature in 1938. I will show my hon. friend the exact quotation. Surely he cannot be serious when he makes this suggestion. My hon. friend is about to say that surely I am not going to rely upon the Prime Minister of New Zealand. I will rely upon any authority which meets my case.

Mr. BENTLEY: I rely upon authorities, too. I do not want the Prime Minister of New Zealand for it, however; I will take the Minister of National Health and Welfare for Canada, if he will give us a good reason for it.

Mr. MARTIN: I do not think—

Mr. BENTLEY: Or the Minister of Veterans Affairs. I will accept him, if he gives me good authority. What is the reason for it?

Mr. MARTIN: I do not like to say my hon. friend has made an absurd suggestion, because he is not that kind of person. But I just think his suggestion, upon reflection by himself, will be accepted as wholly negligible.

Mr. BENTLEY: I will have to be absurd, then, because I can see no difference between old age pensioners and judges, when one gets much more than the other. And when they live on Canadian money, I can see nothing absurd when the suggestion is made that they should both be allowed to live in the same place.

Mr. MARTIN: The old age pensioners do not want to leave the country.

Mr. BENTLEY: I know some who do. I know some who had difficult times in the thirties. I am glad they can get ninety days

now. That will get them past the toughest part of the winter. I cannot see why it should not be 365 days, and I can see nothing absurd in my suggestion. If I am absurd I am willing to have the minister show me now how absurd I am.

An hon. MEMBER: Oh.

Mr. BENTLEY: The hon. member over here likes to support the minister, but I will not take him as an authority, because the minister will have an opportunity to show how absurd my objection is, if he wishes to.

Mr. MACDONNELL (Muskoka-Ontario): I should like to see where we have the opinion of someone who lives in Canada, and not have to rely upon someone in New Zealand. Like my hon. friend, I think we are entitled to have that information, and not just the statement that what the hon. member has said is absurd.

An hon. MEMBER: Carried.

Mr. BENTLEY: No; are we not going to have anyone to say why I am absurd?

Mr. MARTIN: I did not say you were absurd. I knew the hon. member did not deserve it. I suggested that the hon. member's suggestion is of dubious validity because it is altogether different from the practice in any other country.

An hon. MEMBER: Carried.

Mr. MACDONNELL (Muskoka-Ontario): It will not be carried until we have an answer. I do not see how it is absurd. I have not been able to see the reason yet, and I think there must be a reason. I am sure the minister did not act without a reason. I am sure he did not act because someone in New Zealand said something. We are entitled to know.

Mr. MARTIN: The hon. member knows me better than that.

Mr. MACDONNELL (Muskoka-Ontario): That is exactly what I have said.

Mr. MARTIN: I have pointed out to him the difficulty of administering the act with a person living in Colorado, and that it would hardly commend itself to good administration.

Mr. BENTLEY: The answer is this, I presume—and the minister will correct me if I am wrong—that the difference between the old age pensioner and the judge is that there is no means test applied to the judge with his handsome pension, but, on the other hand, there must be a means test and a careful examination of the old age pensioner at all times. So that he must be home and in his own backyard where we can look at him. Is that the answer?

Mr. MARTIN: No.

Mr. BENTLEY: The minister shakes his head and says no. What is the answer, then?

Mr. MARTIN: I shake my head because the hon. member is not going to make me make an admission which I do not think, in the light of my responsibility as a minister, he should ask me to make. I am not trying to keep the old people in this country; but I am trying to help them, and my hon. friend knows that.

Mr. BENTLEY: Cannot the minister help them and let them go to live under an orange tree or under a grapefruit tree, or somewhere else, wherever they wish to go?

Mr. MACDONNELL (Muskoka-Ontario): I should like to come into this again. The minister said a minute ago that one of the reasons for not doing it was that nobody wanted to take advantage of it, that no old age pensioner would want to go. Then he turns around and says that we cannot do it because it would be such a huge administrative problem. Well, he cannot have it both ways. It does not seem reasonable that they cannot have their money in Timbuctoo, San Francisco or wherever they like.

Section agreed to.

On section 9—Coming into force.

Mr. FLEMING: Will the minister not reconsider this date? The new act is to come into force as of May 1, 1947. This is the act which was heralded away back on January 30 as being such a wonderful act. If there is any merit in the minister's act—and we have been trying to tell him that we do not think there is nearly as much merit in it as there should have been—why does he not try to redeem the measure in some small degree by making a slight change in the retroactive date to January 1 of this year?

Mr. MARTIN: This was the date the provinces were advised.

Mr. FLEMING: I am sure there is not any province which would have any objection to making the date retroactive to an earlier date. I am quite sure the minister is not seriously stating that there would be any objection from the provinces on that score. I am equally certain that there would be no objection from the old age pensioners who have been kept waiting for a long time and for whom such vast hopes were held out by the

extravagant language used by the government about the measure they were going to introduce.

Section agreed to.

Sections 1 and 2 agreed to.

On section 5—Pensions to blind persons.

Mr. MARTIN: Section 5 stands.

Mr. FLEMING: What is the reason for holding up section 5?

Mr. MARTIN: I shall have to give the reason on another occasion.

Mr. MacINNIS: That is the way New Zealand did it.

Section stands.

Progress reported.

FISHERIES RESEARCH BOARD

PROVISION FOR SCIENTIFIC, TECHNICAL AND OTHER OFFICERS AND EMPLOYEES

Hon. H. F. G. BRIDGES (Minister of Fisheries) moved that the house go into committee on Bill No. 264, to amend the Fisheries Research Board Act.

Motion agreed to, bill considered in committee, read the third time and passed.

SPECIAL WAR REVENUE ACT

CONSIDERATION OF SENATE AMENDMENT

Hon. DOUGLAS ABBOTT (Minister of Finance) moved the second reading of and concurrence in amendment made by the senate to Bill No. 271, to amend the Special War Revenue Act and to change its title to the Excise Tax Act.

Mr. MACDONNELL (Muskoka-Ontario): This amendment is to page 6, which contains a section under the heading of "Penalty."

Mr. ABBOTT: That is correct.

Mr. MACDONNELL (Muskoka-Ontario): Would the minister say a word about this.

Mr. ABBOTT: It is a minor amendment. Subsection 2 of section 48 reads:

An officer or servant of a bank, express company or corporation who assents to or acquiesces in the contravention of any provision of this part or in the course of his employment does or omits to do anything as the result of which his employer is guilty of contravening a provision of this part is guilty of an offence—

The senate has struck out the words "assents to or acquiesces in the contravention of any provision of this part or". The amendment is not objectionable.

Mr. MACDONNELL (Muskoka-Ontario): Did the senate strike out those words because they went too far?

Mr. ABBOTT: I have not any idea. They may have thought they went too far.

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

FOREST CONSERVATION

EASTERN SLOPE OF ROCKY MOUNTAINS—AGREEMENT WITH ALBERTA

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs for Acting Minister of Mines and Resources) moved the second reading of Bill No. 362, respecting the protection and conservation of the forests on the eastern slope of the Rocky mountains.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

On section 1—Short title.

Mr. LOW: I understood some days ago that the minister was going to make a statement on this bill.

Mr. MACKENZIE: I am only a deputy without profound knowledge of this particular bill. If the hon. member has some inquiries to make, I would move that the committee rise, report progress and ask leave to sit again when the minister is present.

Mr. LOW: It does not matter to me at all except that I understood that.

Mr. MACKENZIE: I think the minister will want to make a statement.

Progress reported.

VETERANS AFFAIRS

BUSINESS AND PROFESSIONAL LOANS—PROVISIONS WITH RESPECT TO PARTNERSHIPS

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

That it is expedient to introduce a measure to amend the Veterans' Business and Professional Loans Act to provide for the making of guaranteed loans to veterans already established in partnership businesses for expenditure by the partnership and to enable a veteran to include as part or all of his cash requirements under the act, moneys expended by him in connection with his business between the date of assent to the bill and the date of proclamation of the act.

Motion agreed to and the house went into committee, Mr. Macdonald (Brantford City) in the chair.

Mr. ABBOTT: If it meets with the views of the committee, Mr. Chairman, perhaps we might adopt the resolution and have the main debate on second reading. I had hoped that we might follow the same practice with this bill as with a number of others, including the old age pensions bill. Of course we are in the hands of the committee.

Mr. GREEN: We want a statement of what the bill is about. We are entitled to that on the resolutions shtage, and I would ask the minister to make a statement.

Mr. ABBOTT: I will not argue the point. We will make a statement; I thought we could save a little time.

Mr. MAYHEW: I had hoped that we would get first reading of the bill, and then we could make a full statement on second reading.

Mr. GREEN: We should like to have a statement on the resolution stage. It enables us to prepare for the debate.

Mr. MAYHEW: The bill will be distributed after first reading. The general purpose of this bill is to extend the scope and usefulness of the Veterans Business and Professional Loans Act. As all hon. members are aware, loans are available under the act to veterans, through the chartered banks, for a variety of purposes associated with the establishment or expansion of a business or profession. These loans are subject to a partial government guarantee on a pooling basis similar to the Farm Improvement Loans Act and the home improvement plan, amounting to twenty-five per cent of the first million dollars of loans made by any bank plus fifteen per cent of any amount above a million dollars. Veterans loans are made directly by the banks, but it is necessary for the Department of Veterans Affairs to concur in applications to ensure that those who apply are bona fide veterans within the meaning of the act.

The Veterans Business and Professional Loans Act has now been in effect for about six months. During that time, namely from January 15 to June 17, 1947, the Department of Veterans Affairs has concurred in 2,271 applications for loans by veterans in an amount of $3,943,000. This is a very considerable volume of applications acceptable to the banks, and indicates, I believe, that the act is fulfilling in large measure the functions for which it was designed and enacted.

Unfortunately, even though the banks are willing to lend money under the act, the veteran sometimes finds that he is unable to proceed as rapidly as he might wish with his investment, because of difficulties in obtaining the necessary equipment and supplies. Hence, for this and other reasons the figures of actual loans made, which incidentally are not yet available for the second quarter of lending operations, are tending to lag behind the figures relating to concurrence by the Department of Veterans Affairs which I have just given.

I laid on the table this afternoon the first report covering operations under the act, in which is given an analysis of lending operations to date.

As a result of experience under the act, three principal amendments are being proposed, all of which will facilitate the making of loans.

The first is an amendment designed to permit loans to a veteran who is already in a partnership and who wishes to assist in expanding the partnership business. Under the act as it now stands, this is technically impossible, even though a veteran may obtain a loan to form a new partnership or to buy into an existing partnership.

The second amendment is to meet the case of a veteran who could not wait for the act to come into force and decided to invest what capital he had in a business. This veteran now wishes to expand and finds that he is no longer in possession of the one-third cash which he is required to put up before obtaining a loan under the act. The proposed amendment will permit the bank to regard expenditures made by the veteran between September 1, 1946, and January 15, 1947, as part of his proposed total expenditure, and therefore enable him to dispense in whole or in part with the ordinary cash requirement.

The third amendment is designed to simplify the taking of security under the act on personal and movable property. Because of lack of authority to take such security in their own right, the banks, where required, have been taking such security on behalf of the crown to secure the government's guarantee. This is extremely cumbersome and tends to place difficulties in the way of lending. The proposed amendment enables the banks to take security in their own right on personal and movable property which is the subject of a loan under the act.

The remaining amendments are of a clerical nature.

Mr. GREEN: How many applications have been rejected?

Mr. MACKENZIE: If my hon. friend does not mind, we have all that information in our department. My parliamentary assistant will be in consultation with the parliamentary assistant to the Minister of Finance when

the bill is being discussed, and all that information will be available. I have not it before me at the moment.

Mr. GREEN: I should also like to know how many applications have been accepted by the banks.

Mr. MACKENZIE: Yes. The parliamentary assistant will give the number.

Mr. MAYHEW: That was in the return which I tabled today.

Resolution reported, read the second time and concurred in. Mr. Abbott thereupon moved for leave to introduce Bill No. 396, to amend the Veterans Business and Professional Loans Act.

Motion agreed to and bill read the first time.

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

Tuesday, July 1, 1947

The house met at two o'clock.

DOMINION DAY

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I propose that we open this afternoon's proceedings with the singing of *O Canada*.

(The members rose and sang *O Canada* and *God Save the King*).

MESSAGES OF GREETINGS AND GOOD WISHES ON THE OCCASION OF THE 80TH ANNIVERSARY OF CONFEDERATION

Mr. MACKENZIE KING: Mr. Speaker, hon. members, I am sure, will be interested to know that, on this the 80th anniversary of confederation, many communications of greetings and congratulation have been coming to Canada from different parts of the world. Among the number are some that have been received by His Excellency the Governor General, some by myself as Prime Minister and others by the Secretary of State for External Affairs.

It will be of interest were I to mention some of the communications that have been thus far received. There are, I understand, others on the way, and probably there will be many more before the day is over.

Among those already received, there is a communication from Queen Wilhelmina of the Netherlands. Her Majesty has sent a message of best wishes for the well-being and prosperity of Canada.

His Majesty King Paul I of the Hellenes extends congratulations and best wishes in the name of the people of Greece. A message has also been received from the Prime Minister of Greece, M. Maximos, conveying warm wishes for the prosperity of Canada, and a similar communication from the Greek Ambassador resident in Ottawa.

Generalissimo Chiang Kai-shek of China extends best wishes for the welfare and happiness of the Canadian people.

The President of Argentina, General Peron, has expressed good wishes from the government and people of Argentina for the well-being and prosperity of Canada. Other messages have been received from the Argentine Foreign Minister and the Argentine Ambassador at Ottawa.

From Premier Ramadier of France there is a message expressing "most cordial wishes for the future of the great Canadian nation to which we are linked by so many bonds of friendship".

There is also a message from M. Unden, Minister of Foreign Affairs of Sweden who expresses "best wishes for our friends the Canadian people". Mr. Jan Masaryk, Minister of Foreign Affairs of Czechoslovakia, sends good wishes, at the same time recalling wartime contributions "which are being continued and which can never be forgotten". There is also a message from the Minister of Czechoslovakia resident in Ottawa. In addition to greetings received from ambassadors and ministers already mentioned, messages of greeting have also been received from the following ambassadors and ministers resident in Ottawa: the Ambassador of France, the Ambassador of Brazil, the Ambassador of Chile, the Minister of Cuba, the Chargé d'Affaires *ad interim* of the Union of Soviet Socialist Republics, and the Chargé d'Affaires *ad interim* of Switzerland.

Had it not been that a week or two ago an arrangement was made in pursuance of an agreement to take every possible means to expedite the business of the session. I would have been tempted to introduce in the house this afternoon a resolution with respect to this 80th anniversary of confederation, to which all hon. members might have felt free to speak. But I have assumed that by proceeding with the business of the house as rapidly as possible, particularly considering the length of the programme still to be overtaken, we would be discharging our duties in a way more acceptable to those whom we represent. At the same time, I should like in a word to say what I think must be much in the thoughts of all hon. members today.

Had time permitted, we should have been glad to review the eight decades which have passed since confederation and to have dwelt with pardonable pride upon the manner in which, from a few scattered communities, Canada has developed in that time not only into a great nation but as well into a world power. I believe that at this time hon. members will have a feeling of great thankfulness that our country on this anniversary is perhaps more united and prosperous than it has been at any time in its history; that we have been spared the calamities and disasters which have overtaken so many of the nations of the world; and that our relations with other nations almost without exception could not be happier than they are. I recall that the last time this house was in session on July 1, which was five years ago, the world was in the midst of the great war, and at a very critical stage of the war. At that time it was by no means certain what the outcome might be. I am sure I speak for all hon. members when I voice a feeling of thankfulness for the part which Canada was privileged to take in helping to preserve the freedom of mankind in that great conflict. We look back with justifiable pride on the part which our defence forces were able to take, along with those of allied and associated forces; the contributions made by our army, our navy, our air force and the merchant marine; what was done in the way of assisting in supplies of munitions and food, in finance, in organization for all kinds of patriotic activities; the work of the women as well as of men and our young people in that terrible period. It is a source of tremendous pride to us all that today we can rejoice in having participated as we did and helped in the winning of victory. Nor do we forget that in our own generation a like service was rendered by Canada in another world war. There is an equal cause for rejoicing at the part which Canada has since been privileged to take in its postwar work, in helping to relieve the suffering of and to rehabilitate those nations which were so terribly devastated by war; in being able, as we have been, in her hour of great privation to assist Britain financially; and in being able to assist the starving peoples of Europe in the liberal manner in which we have.

I think what perhaps will be a source of increasing pride to the people of Canada, and in particular to their representatives here, is the extent to which Canada's voice and influence has come to be felt for good in the many relations of nations; particularly is this true of relations within the British commonwealth, where Canada's part in the development and shaping of the commonwealth and its spirit has been what it has; and also the very important part which our country has taken in the work of the great new world organization, the united nations, in which humanity at the moment is placing so largely its hopes for the future. Indeed, as I have said, Canada's voice has come to be the voice of one of the great powers in the world; and wherever it has been expressed, it has been expressed for the good of other nations as well as our own. In our relations with our great neighbour the United States, we have together worked out methods of understanding and cooperation which are an example to nations everywhere.

In conclusion may I draw attention to the rather unique circumstance that while eighty years ago four provinces were uniting to form confederation and to fulfil the dream that some day there might be a vast power of the combined British communities in the northern half of this continent which would strike across space and time and include all the territory between the waters of the Atlantic and those of the Pacific, today we not only have the nine provinces united as they have been over a number of years but we have in our city a delegation of distinguished gentlemen from the island of Newfoundland, who are examining and exploring with officials of the government of Canada and its ministers, the possibility of arriving at an agreement which would be to the mutual advantage of Newfoundland and Canada and which might serve to bring that island also into confederation. These are only a few of the many things for which we, as Canadians, have reason today not only to be proud, but also to be profoundly thankful.

In conclusion, may I express the hope that Canada throughout the future may be true to her great past, to which I have made scarcely more than a passing reference, and that our country may go on from year to year, over the decades and over the centuries, ever using her influence in a wider way to promote the cause of world order and to further peace and good will among men and nations on this earth.

Mr. GORDON GRAYDON (Peel): Mr. Speaker, I should like to follow the appropriate example of brevity which was set by the Prime Minister (Mr. Mackenzie King) in observing this important occasion in the life of our country. I wish to associate our party with the eloquent words of the Prime Minister, which I think reflect the views and aspirations not only of the people's representatives in this parliament but of the people of Canada in general. I suppose on the occasion of an

anniversary such as this a nation, just like an individual, would feel like reviewing the past, taking inventory of the present and attempting to chart the course for the future in the light of past and present. As the Prime Minister has said, Canada has reached out in her international and domestic affairs to the point where she can rightly be called one of the great nations of the world. I think that we who feel that this country played her full part in the winning of victory, will wish also to say to the world that this country is prepared also to make her maximum contribution toward the cause of winning and keeping permanent the peace which followed that war.

As the Prime Minister so well stated, this country has laid firm and true foundations as far as our humanitarian policy in international affairs is concerned. We cannot have a permanent and lasting peace if we are prepared to pay only a cheap price for that peace. Whatever the price of a lasting peace may be, it will fall far short of and be of much less consequence than the terribly tragic cost of war. So whatever the cost of honourable and self-respecting peace may be, this country must be prepared to pay it. May I go farther and say that bound up with the cost of that peace must also go the realization that in assessing its true position this country will find it cannot, as an island of relative good times and prosperity, survive in a surging international sea of distress, poverty and suffering. Canada must bring itself to realize this, because after all, in that realization is involved also the cost of the peace that we are now trying to make just and permanent.

I fervently hope and pray that this eightieth milestone in Canadian history since confederation may see all the Canadian people moving forward, resolute and determined, marching shoulder to shoulder, regardless of any differences that may exist within the country, toward a greater Canada and a stronger and more powerful commonwealth of nations, in a world of permanent peace and prosperity in the days that lie ahead.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, I wish to associate this group with the sentiments which have been expressed by the two preceding speakers. Eighty years ago life in this Canada of ours was a fairly simple affair. We were concerned with organizing and putting on a better basis the relations, as the Prime Minister (Mr. Mackenzie King) mentioned, of the scattered communities of our half of the continent. In that we have succeeded perhaps beyond the hopes of those who were carrying on the work at that time. Today, while we may not have completely and satisfactorily resolved our own difficulties, we are engaged with the other nations of the world in trying to settle the complex relationships of a very complex world. I think the people of Canada do feel pleased and proud because of the contribution we have been able to make in the past few years, and I believe we all hope we shall not only continue that work, but that we may be able to do better. To me the great thing in our life in Canada is that the people, through and by the institutions handed down to us by those who have gone before, are able to organize and settle their own affairs by mutual compromise and cooperation. We cannot expect people to travel together if differences separate them. I believe it is only when we can resolve those differences and have the same objectives that we can hope to travel along together; and as the years go by my hope is that we may do that in greater and greater measure.

Mr. SOLON E. LOW (Peace River): Mr. Speaker, I feel that I should say just a word in support of the high and noble sentiments that have been expressed today by the Prime Minister (Mr. Mackenzie King) and the other speakers. I am proud of Canada. I am proud of the accomplishments of our great country. I am proud that I was born in Canada. As I look back over my short life as it has been associated with the history of this country I take more and more pride in the fact that this is where my parents settled in order that I might be born a Canadian.

Most of the fine things have been said, I think, but let me just add one hope to the list of hopes for the future. I think I speak for my group when I say I want to see Canada take her full place and full responsibility in a world community of nations. We have much to contribute, not alone of material wealth. Canada is a wealthy country in all ways, but we have not enough, nor could we possibly produce enough, to relieve the world of its great needs at this time. One thing we can do, however, and I hope we shall do. By maintaining our faith in the fundamental truths we can assist in a regeneration of faith throughout the world, that faith which is lagging so greatly in many countries. Furthermore I believe it will be possible for us in Canada to help in a regeneration of the hopes of the various peoples of the world, without which they will not be able to do very much to help themselves. Therein I think lies the greatest possibility for Canada to make a real contribution in future.

I join with the others who have spoken in praying God that we shall be true to the trust that is ours, and that in future we shall continue to be true Canadians.

(Translation):

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, eighty years ago, the people belonging to the two major races in this country confided in each other and I believe that, at this distance, we can all recognize that it was right, reasonable and proper that they should have done so. This could not be better evidenced than by what happened a few moments ago, when all of us could sing in both languages "O Canada! . . . thy brow is decked with garlands grand".

The Right Honourable the Prime Minister (Mr. Mackenzie King) recalled that this was due to the fact that this country's arm can bear not only the sword but also the cross. I hope that those eighty years constitute but the beginning of a long history throughout which it will always be possible for Canadians to sing "O Canada! . . . thy brow is decked with garlands grand".

(Text):

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): Mr. Speaker, perhaps the house will forgive me as a humble immigrant to Canada who owes so very much to this great-hearted and generous land if I say just a word or two on this, Canada's eightieth birthday.

Just an hour ago the carillon was ringing its gladsome notes indicating the unity of the two great races of Canada. I have just three things to say, and I shall be very brief. I remember reading about the oar-songs of the old boatmen in Canada, and I recall the words of the Canadian Boat Song:

> From the lone shieling of the misty island
> Mountains divide us, and the waste of seas—
> Yet still the blood is strong, the heart is Highland,
> And we in dreams behold the Hebrides.

Another verse comes to my mind; it was used by Sir George Ross at a banquet in Toronto many years ago of the St. Andrew's Society:

> Oh they may love the southland,
> And they may cross the sea
> But this land is my land,
> And Canada for me.

And last I leave with the house some words I quoted four or five weeks ago from Sir John Willison:

> O generous land, O mighty inspiration
> That floods the morning of the world to be;
> Thy people are the builders of a nation
> Lofty, benignant, free.

[Mr. Low.]

REPORTS OF COMMITTEES

Eighth report of the standing committee on banking and commerce.—Mr. Cleaver.

Seventh report of the standing committee on standing orders.—Mr. Bertrand (Prescott).

PRIVATE BILL

THE CANADA PERMANENT TRUST COMPANY

Mr. HUGHES CLEAVER (Halton) moved the first reading of Bill No. 395 (from the Senate) respecting the Canada Permanent Trust Company.

Motion agreed to, bill read the first and second times and referred to the standing committee on banking and commerce.

BUSINESS OF THE HOUSE

FURTHER LEGISLATION—MEASURES NOT TO BE PROCEEDED WITH

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, yesterday the Leader of the Opposition (Mr. Bracken) asked if I would make a statement to the house today about remaining legislation, and as to whether any measures of which notice has not already been given will be introduced. I said at the time I thought everything had been included in what was set forth in the statement I made to the house several weeks ago. I wish to say now I find I am right in that particular.

There is on the *Votes and Proceedings* of today notice of a measure to be introduced by the Minister of Finance (Mr. Abbott) and to which I made reference before. I draw special attention to its appearance in today's *Votes and Proceedings*. The Minister of Finance intends to introduce another bill of some importance, but not for the purpose of proceeding with it at this session. Rather it will be introduced so that it may be considered by hon. members between now and the next session of parliament. The bill is An Act to Amend and Consolidate the Income War Tax Act. As I say, it is being introduced solely for the information of the house. As the bill is lengthy and intricate it was thought by the government it would not be wise to proceed with it at this session, but that it should be taken up in the next session.

I wish to make clear, as I did before, that there may be some bills arising from reports to the house by committees. It is not likely that there will be many, but there will be at least one or two.

It is not the intention of the government to proceed with the bill to amend the Royal Canadian Mounted Police Act, or with the

resolution respecting the conservation of fisheries on the high seas, both of which were announced to the house on May 21.

Again, as a result of discussion on the estimates, it may well be that some subject will come up which the house may decide should be dealt with in some way other than merely by discussion on the estimates. I have in mind for example the question of the controlling of traffic on parliament hill, which has been referred to at different times and which, to meet the situation, may necessitate some small amendment to an existing measure.

With the exception of that type of measure which would arise out of discussion, I cannot think of any others it is intended to introduce at this time. It would not do for me to say there will be nothing else; something might arise between now and the close of the session which is totally unforeseen at the present time. However I hope there will not be anything; and at this time I know of nothing likely to come up.

UNITED NATIONS

ACCESSION OF CANADA TO CONVENTION ON PRIVILEGES AND IMMUNITIES

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs) moved the third reading of Bill No. 272, to provide for privileges and immunities in respect of the united nations and related international organizations.

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

OLD AGE PENSIONS

INCREASES IN AMOUNTS AND INCOME ALLOWANCE REQUIREMENTS—MODIFICATIONS OF ELIGIBILITY

The house resumed from Monday, June 30, consideration in committee of Bill No. 339, to amend the Old Age Pensions Act—Mr. Martin—Mr. Macdonald (Brantford City) in the chair.

The CHAIRMAN: All the sections with the exception of section 5 have been passed.

On section 5—Pensions to blind persons.

Hon. PAUL MARTIN (Minister of National Health and Welfare): Mr. Chairman, the house will recall that in 1937 when the amendments to the Old Age Pensions Act respecting blind persons were first introduced by the government under the present Prime Minister the age of forty was set as the qualifying age in conformity with the expressed wishes of the organizations chiefly interested in work with blind persons in this country. The managing director of the Canadian National Institute for the Blind, Colonel E. A. Baker, expressed himself on behalf of his organization to the effect that pensions for the blind should begin at the age of forty years. The effect of the 1937 amendments was to make it possible for the organizations working with the blind to concentrate on the training and rehabilitation of the group under forty years of age. The government now proposes, by an amendment, which I am going to ask my colleague the Minister of Veterans Affairs to move, that the eligible age for the blind be lowered from 40 to 21 years. I am sure that this is a step which will commend itself to hon. members who are aware of the plight in which blind persons find themselves, and of the many deserving blind people who will now be given new hope and encouragement by the assistance provided by this amendment. I would ask my colleague, the Minister of Veterans Affairs to move:

That in section 5, line 12, the words "forty years" be deleted and the words "twenty-one years" substituted therefor.

Mr. MACKENZIE: I move accordingly.

Mr. FLEMING: I am sure the whole committee will receive this proposed amendment with satisfaction. Right from the time the leader of the opposition first proposed this—

Some hon. MEMBERS: Oh, oh.

Mr. FLEMING: I will repeat that. From the time this reduction in the age for blind pensioners from forty years to twenty-one years was first proposed in this debate by the leader of the opposition, it has been echoed in all parts of the house. I am sure that while this debate has been long drawn out it has at least served a useful purpose if it has brought the government around to the point where they are willing to make this much needed reduction in the age of blind pensioners. I wish the minister could have acceded to the wishes expressed in different parts of the house that other needed changes be made in the bill.

The CHAIRMAN: Order.

Mr. LOW: First let me congratulate the minister upon bringing in the amendment which he has introduced today. No matter who may have had influence upon him, it is to his great credit. Last night I asked the minister if he would give consideration to changing the act to make possible deductions from the incomes of pensioners because of expenses incurred in connection with dependents other than a spouse. It is quite possible that a blind pensioner or an old age pensioner might have

an infant son or daughter, and I am asking that some provision be made for deductions from the ceiling income covering such dependents. That dependent may be as much a burden on the old age pensioner with a small income as he would be on anyone who was incapable of working and on relief. Will the minister say whether he is prepared to support such a suggestion?

Mr. MARTIN: My hon. friend will appreciate that this is the Old Age Pensions Act, not a dependents act. The government has sought to provide for dependent children through the Family Allowances Act.

Mr. LOW: A good deal was said last night about the regulations, and I am given to understand that at the last interprovincial board meeting—

The CHAIRMAN: Order.

Mr. LOW: I am referring specifically to this bill.

The CHAIRMAN: I would remind the committee that we are considering section 5, pensions to blind persons, which does not permit a general discussion at this time. I hope hon. members will not engage in a general discussion.

Mr. LOW: A blind pensioner may have dependents, and that is what I am referring to. I brought it up last night, and the minister asked me to hold it off until today when section 5 would be discussed.

Mr. MARTIN: I call my hon. friend's attention to 8A (c) (ii) in section 5 of the bill, which provides for dependent children under certain circumstances.

Mr. LOW: Could that not be extended to old age pensioners as well as to blind pensioners? I understand that at the last interprovincial board meeting the matter was discussed and a resolution was passed unanimously asking that this be done.

Mr. MARTIN: There was no resolution, unanimous or otherwise.

Mr. TOWNLEY-SMITH: Will the amendment which has just been moved have any effect upon clause (iii)? A blind person may not have lived the whole of his life in this country. It would appear that the section would need to be reworded.

Mr. MARTIN: The residence qualifications are the same as for the aged.

Mr. MacNICOL: I want to express my appreciation of subsection 2 of section 9 which is provided for by section 5 of the bill. Where a pensioner had been assisted during the last two or three years of his life by a member of the family and he has been left the pensioner's estate, that estate is not to be penalized to the extent of the amount paid to the pensioners. I know cases in which estates have been penalized.

Mr. MARTIN: The five per cent penalty has been removed from the section.

Mr. MacNICOL: I am glad to know that those who endeavour to take care of their old folk are not to be penalized for doing so, as has been the case in the past.

Mr. MacINNIS: In view of the criticism of the minister while the bill was under discussion in committee I wish to express my appreciation of the amendment which has been moved this afternoon. This is a proper age limit, and perhaps it could have been brought down even lower. A blind person is just as much handicapped at twenty-one as he is at forty, and he is just as much handicapped at seventeen years when the family allowance payments cease as he is at twenty-one. However, I do not wish to detract in any way from the value of the amendment just moved, and I express my appreciation to the minister.

Mr. GREEN: What provision is being made for the extra cost that a blind person must incur in order to carry on? For example, the cost of obtaining guides and many other incidental expenses which increase their cost of living.

Mr. MARTIN: We have increased the additional income allowable and the special allowance of extra income for guiding expenses, which is now to be $120 instead of $75 as formerly. That recommendation was made by the blind institute.

Mr. GREEN: They have to get those amounts from some other source?

Mr. MARTIN: That is right.

Mr. GREEN: In clause (b) of section 8A reference is made to the War Veterans Allowance Act. I should like to ask either the Minister of National Health and Welfare or the Minister of Veterans Affairs to explain whether it is possible for a recipient of war veterans allowance to switch over to an old age pension? In most provinces old age pensioners receive larger payments than the veterans allowance recipient and I know many veterans who are finding it impossible to carry on with the present allowance. What is

the position if they wish to drop their war veterans allowance and go on to old age pension?

Mr. MACKENZIE: That is a matter largely for their own choice, but from my little experience of over thirty years I think it would not be to their advantage to do so. The veterans committee will be meeting next year. My personal opinion is that it would not be to the advantage of the veteran to switch over to the old age pension.

Mr. GREEN: The minister will agree that under the government's old age pension policy to date the dominion is contributing up to a maximum of $30 and then expects the provinces to pay whatever is required over that amount to enable a person to live. That means that in Ontario the old age pensioner is going to get $10 additional and in British Columbia $8.75, and I hope it will be the full $10. The recipient of war veterans allowance is now being looked after by the dominion government. Would it not be reasonable for the dominion government to raise the war veterans allowance to the same figure as the old age pension?

Mr. MACKENZIE: Has my hon. friend taken into consideration both the single man and the married recipient of war veterans allowance? If he makes a careful comparison of the total income permitted from two or three other sources I think he will find that the veteran would lose by switching over.

Mr. GREEN: I am not referring to the case where there is extra income, but where there is the war veterans allowance and nothing else.

Mr. MACKENZIE: There is no such case.

Mr. GREEN: There are cases in which the men are not getting an amount over and above the war veterans allowance, and as a result they have to live on $30.41 a month.

Mr. MACKENZIE: There is no such case unless they are disabled.

Mr. GREEN: I know of cases in which they have no other benefits; they cannot have any other income except by working or from savings. If the province is to bring the old age pension up to $40, surely there is an obligation on the dominion to bring the war veterans allowance up to $40. Is any move of that kind in contemplation?

Mr. MACKENZIE: I do not want to enter into an argument. This matter is receiving, I do not like to say consideration, but the anxious care of the government, and early next session my personal opinion, for what it is worth is that we shall have another veterans committee reviewing the whole situation as it did last year, and with great ability.

Mr. KNOWLES: Has consideration been given to the request of blind organizations that the legislation respecting the blind be made separate from the Old Age Pensions Act?

Mr. MARTIN: Consideration has been given to that.

Mr. KNOWLES: Will further consideration be given to it, in view of the fact that the request has not yet been implemented?

Mr. MARTIN: Further consideration is being given to it.

Mr. BRYCE: Am I correct in my understanding that this does not apply to blind Indians?

Mr. MARTIN: It applies to Indians who are not under the Indian Act.

Mr. BRYCE: Not to the Indian who is blind just the same?

Mr. MARTIN: It will apply if he becomes enfranchised.

Mr. BRYCE: Has that question been given any consideration?

Mr. MARTIN: I made a statement the other night on that whole subject.

Mr. BRYCE: In a word, is the minister in favour of including the Indians for pension?

Mr. MARTIN: I am very anxious to help them.

Mr. BLACKMORE: Will the minister give us some evidence of that?

Mr. MARTIN: The other night I made a statement on the subject.

Mr. BLACKMORE: It won't hurt to repeat it.

Mr. MARTIN: No one has been more attentive and receptive to suggestions than I have been in this debate. I stated the other night that the government was giving consideration not only to that aspect but to the much wider aspect of the Indian problem. We are following with great interest and care the work of the Indian affairs committee and when that is done we may have something further to state.

Mr. CASTLEDEN: Health conditions among the Indians in Canada are not good. Granting of the blind pension and lowering the age is a move in the right direction. If this particular pension could be extended to

the blind Indian it would be an immediate step which would be appreciated. I understand that the minister is waiting for the Indian affairs committee to make its report and then work out the whole situation and provide more care and new services for the Indians. But the minister knows that the work of that committee is not completed, and its recommendations with regard to changing the act will probably be a year late. I would ask the minister if he would consider making this particular pension applicable to the Indians, because so far as the old age pension is concerned that is administered by the provinces, which recognize no responsibility for Indians, whose care is entirely a federal matter. It would be a very fine step to make this blind pension applicable to the Indians at once.

Mr. FRASER: The other night I mentioned Indians in connection with the old age pension. I know that in my riding the Indians are receiving help from the blind institute, which helps them with food and clothing and fuel and supplies some of them with glasses. I do believe it would be a wise step on the part of this government to include the Indians in this act.

Mr. BLACKMORE: I want to associate myself with those who have already advocated that pensions be given to the blind Indians. I am not at all satisfied with the progress of the Indian affairs committee. I have been on that committee a couple of years and it seems to me it does not intend to do anything other than just hear evidence and prepare reports. Meanwhile the blind Indians are suffering, and it is the duty of this country to do something about it. I suggest that until the Indian affairs committee does bring in its conclusions a temporary measure at least to provide for the blind Indians would be a most fitting gesture on the part of this government.

Mr. CRUICKSHANK: The Minister of Veterans Affairs and I took a trip to Toronto to the convention of the blind last week-end, and we got results because we convinced the government for once that we were right.

Mr. ZAPLITNY: In paragraph 3 of this clause there is a qualification which requires that the person concerned must have resided in Canada for twenty years or more. Further down there is a qualification in respect of those who have resided in Canada and then have left the country for a period and later returned. That latter part of course would not be applicable to persons who come to Canada as immigrants and who have not lived here twenty years. I realize that the same qualification is in force in respect to the old age pension, and it may be said that the qualification is necessary in respect to the old age pension so that people will not come to Canada just to get the old age pension. That same argument does not hold good in the matter of the blind pension, because no one knows when blindness is going to come. I should think we could safely do away with that qualification for pensions for the blind, and I would ask the minister to consider deleting it in order that all persons suffering from blindness, regardless of how long they have lived in Canada, provided they have lived long enough to become Canadian citizens, may secure the blind pension.

Mr. BROWN: The hon. member for Lethbridge made a statement which I think should not go unchallenged. I am sure when he thinks over what he said that he will regret having made the assertion that the Indian affairs committee had been meeting for two years and had accomplished nothing, or words to that effect. I stand corrected if that is not right. Would the hon. member like to repeat what he said there?

Mr. BLACKMORE: I would like to have *Hansard* give back what I said, but I will repeat that I am not satisfied.

The CHAIRMAN: Order. I would remind hon. members that the clause under consideration is clause 5 relating to pensions for blind persons.

Mr. BROWN: As a matter of privilege, Mr. Chairman—

The CHAIRMAN: I would point out that there are so many interruptions and there is so much noise that it is almost impossible for the chairman to hear what is being said.

Mr. BROWN: As I understand it, the hon. member said that they either intended to do nothing or have done nothing, or words to that effect. *Hansard* will speak for itself. However, I might remind the hon. member, who is also a member of the committee, that he has an equal responsibility with all members of the committee representing all parts of the house.

Mr. FLEMING: What is the number of persons who will be affected by the amendment?

Mr. MARTIN: About 1,700.

Mr. FLEMING: That will bring the tota. number of blind pensioners to about 9,000?

Mr. MARTIN: Approximately.

Mr. FLEMING: A question was asked with regard to the break-down of the $20 million increase in the total cost under this bill as between aged pensioners and blind pensioners. How much of the $20 million is apportionable to each?

Mr. MARTIN: I have not got it broken down in the exact way the hon. member requests, but I will get it later.

Mr. FLEMING: It would be a simple matter of calculation in the case of the 1,700 additional pensioners coming in under the amendment of today.

Mr. MARTIN: It is a matter of calculation, and I will give it to the hon. member later.

Mr. ZAPLITNY: A few minutes ago I asked the minister to consider deleting the residence qualification from paragraph 3 of the clause, but I have received no reply.

Mr. MARTIN: We have considered everything. I discussed with the institute for the blind the changes we had in mind, and have gone into it very carefully. They are quite happy over what has been done.

Mr. ZAPLITNY: The minister mentioned having discussed the matter with the institute for the blind. Does the institute approve paragraph 3 as it stands?

Mr. MARTIN: Yes. They welcome all the changes that have been made.

Mrs. STRUM: Has the institute for the blind ever suggested that the blind pension might start where the family allowance leaves off?

Mr. MARTIN: They asked that it be lowered to twenty-one.

Mrs. STRUM: Have they ever asked that it start where the family allowance leaves off?

Mr. MARTIN: No.

Mrs. STRUM: Does not the minister think there is still a gap in the life of the blind pensioner? If the blind person is to get any specialized training that will later help him to earn his own living, or add to his pension, I think that at that particular stage he will need assistance more than he will earlier or even later. I think the parents of blind children should be encouraged and assisted to help such persons find some kind of expression and fulfilment of satisfaction in living. We should not leave it to charitable institutions, to the Canadian National Institute for the Blind or to the Red Cross. I hope the minister will give consideration to the closing of that gap in social security for blind persons.

Mr. KNOWLES: The minister mentioned the recommendations of the blind federation. What was their recommendation as to the amount of the pension?

Mr. MARTIN: I have discussed the matter with them. I told them what I had in mind and they were desirous that whatever changes we made with regard to the old age pensioners should apply to the blind. We have done that, and more. I was talking to Colonel Baker, the managing director of the institute, only about fifteen minutes before coming into the house. I wish I had his exact words of thanks to this parliament for what we have done.

Amendment agreed to.

Section as amended agreed to.

Title agreed to.

The CHAIRMAN: Shall I report the bill?

Mr. MARTIN: Mr. Chairman, may I, through you, since this has been a difficult bill, thank the house for the consideration shown me. I feel sure that hon. members will recognize that in piloting the bill I had in mind only one thing, and that is the welfare of the aged and the blind of the country.

Bill reported.

Mr. MARTIN moved the third reading of the bill.

Mr. J. H. BLACKMORE (Lethbridge): I wish to make one brief comment on the bill as a whole. I think that this bill, notwithstanding the good things that are in it, constitutes a triumph on the part of the reactionary elements of the government. In this measure the government has resolutely turned its back on the sunrise and turned its face towards the sunset. The sunrise would have been so glorious. We are living in an age of plenty; we are living in a land of abundance. There is no excuse whatsoever for this house passing a bill which at the very best will keep all the elderly people of Canada in a condition of deprivation. I wish to protest against the measure just as strongly as I possibly can within the rules of parliamentary procedure. Sooner or later we must face the fact that in this country we should be making what is physically possible, financially possible. Certainly $30 a month to the aged—

Mr. SPEAKER: Order. There is before the house the following motion, that Bill No. 339 be now read a third time.

Mr. BLACKMORE: I cannot hear you, Mr. Speaker.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Some hon. MEMBERS: Carried.

Mr. BLACKMORE: I am still speaking.

Mr. SPEAKER: Order. I will not permit the hon. member to discuss anything else than the motion which is before the house, which is the third reading of the bill.

Mr. BLACKMORE: Are we discussing the amendment or the bill?

Mr. SPEAKER: The question is on the bill itself, the third reading.

Mr. BLACKMORE: I am discussing the inadequacy of the bill and certainly, if a member has any privileges at all, that is in order. I am speaking about the adequacy or inadequacy of the bill, considering the resources of the country. Certainly, in a land with the resources of Canada, with our productive capacity, in an age when we have discovered the secret of making almost anything out of almost anything, as a result of plastic discoveries, in an age when the atomic bomb and its mysteries are unlocked for us, this measure is woefully inadequate.

Mr. SPEAKER: Order. For the second and last time I would call the hon. member's attention to the fact that the matter before the house is a motion for the third reading of a bill to amend the Old Age Pensions Act. I hope I shall not have to ask the hon. gentleman to resume his seat. I hope he will confine his remarks to the bill before the house.

Mr. BLACKMORE: Mr. Speaker, my remarks are absolutely on this bill. Your Honour is in a position of authority and responsibility. You can easily stand up and make it impossible for me to say on this reading things which should be said. If you do, you are responsible. Meanwhile I will say that what I am now saying is entirely in order, that the bill which provides only $30 a month for the elder citizens of Canada, in an age of abundance, in a country like Canada, is simply pathetically inadequate; and I protest against it with every fibre of my being.

Mrs. GLADYS STRUM (Qu'Appelle): Mr. Speaker, I wish to add my protest to that of the hon. member for Lethbridge (Mr. Blackmore). The week before last I had the privilege of spending a few days at the convention of the National Health League of Canada in Montreal. In that convention one of the doctors told us he had recently treated a case of scurvy. We thought that scurvy went out with the sailing vessels. We thought it was the result of not having fresh food. But scurvy in this case was the result of an old age pension which, after the rent has been paid, does not permit the pensioner to eat. The result of this bill is to widen slightly the income allowed to a pensioner; but it does nothing really to meet the needs of pensioners in the matter of finding a place to stay and putting food on their tables. I must add to the words of the hon. member for Lethbridge that it is a disgrace and a reproach to the Canadian people that old age pensioners should be gradually dying of malnutrition.

Mr. STANLEY KNOWLES (Winnipeg North Centre): Mr. Speaker, I just wish to say one word before this bill passes. It will not bring very much hope or encouragement to the old people of this country, so meagre is the amount of the increase. But I hope the old people of Canada will be encouraged and will find hope in the long battle which members of parliament on all sides have put up in connection with this measure. The dissatisfaction which has been expressed here augurs well for something better in the future. It means that members of this house are not satisfied, and I trust that the battle which has been waged will give hope to the old age pensioners, even though the $5 increase certainly will not do so.

Mr. ROBERT FAIR (Battle River): Mr. Speaker, I have not taken up any time of the house on this bill, but I wish now to register my protest, along with that of the hon. member for Lethbridge (Mr. Blackmore) and the hon. member for Qu'Appelle (Mrs. Strum), against the inadequacy of this measure. This year our national income is almost $12 billion, made possible mainly as a result of our old age pensioners of today; yet we are offering them $30 a month. If the minister's baby were stripped of its fine clothing I think it would be a rather puny baby; in fact, it is a puny baby in the eyes of the people of Canada today. We have had many grand speeches in this house, paying glowing tributes to the people of Canada and to their productive capacity, but we are offering our old age pensioners and our blind pensioners $30 a month, as the best this country can afford. I say it is about time that sane people administered the affairs of this country, if we cannot do any better for our old age pensioners than we are doing at the present time. I must go further and say that if members in this corner of the house are not allowed a little more

latitude, then the sooner we close up here and give the keys to somebody else whom we are condemning in this house time after time, the better it will be for the Canadian people. Democracy is supposed to rule. Let us have democracy here instead of what we have been having during the past weeks and months.

Mr. H. G. ARCHIBALD (Skeena): Mr. Speaker, I should like to say one last word on this bill. So far I have not contributed anything to this debate. When I think of that 30 measly bucks a month handed out to old age pensioners, I am reminded of the historical beginnings of that figure "30". It started with a man known as Judas Iscariot; and I hate to think of the figure "30" being applied to the old age pensioners of this country. And that is "30" for this afternoon.

Hon. PAUL MARTIN (Minister of National Health and Welfare): Mr. Speaker, in closing the debate, I simply want to say this, and say it in a few words.

Mr. SPEAKER: I understand that the minister is closing the debate.

Mr. STIRLING: Is that so? Surely not on third reading.

Mr. MARTIN: This measure is not the unimportant measure that it has been suggested to be. Some hon. members have spoken in strong language of the so-called inadequacy of the measure, but few of them have at the same time addressed themselves to what the bill does. Let me remind the house of what it does. It brings to 275,000 Canadian people improved opportunities for better living standards. That is what it does. It gives to 60,000 aged people for the first time in their lives the opportunity of receiving an old age pension.

Mr. MACKENZIE: And that is what some hon. members are opposing.

Mr. MARTIN: Hon. members may say that is not very much. When one considers that there are now 215,000, including the blind, receiving old age pensions, I think that to add 60,000 by way of an interim measure is doing something which is of fundamental importance.

Mr. GILLIS: How long is the interim?

Mr. SPEAKER: Order.

Mr. MARTIN: The next thing is that as a result of this measure five provinces have increased their supplemental payments. The provinces of British Columbia and Ontario have gone up, the former to $38.75 and the latter to $40 as a result of this measure.

Mr. WRIGHT: Because the pension was inadequate.

Mr. MARTIN: This bill provides, as distinguished from the bill of which it is an amending part, that any province may increase the pension up to $50 a month. I may say that if not one cent more is spent by the provinces, in the case of six of them the pension will be over $30: $38.75 in British Columbia; $33.75 in Alberta; $33.75 in Saskatchewan and $40 in Ontario. This problem is not one that comes only within the jurisdiction of the dominion government. It is a problem which is basically a provincial one.

Mr. GREEN: No. The dominion should lead.

Mr. MARTIN: It is the government's policy to make grants in aid, reinforcing the contributions made by the provinces. There is no country in the world which has provided the liberality of means test that is provided for in this bill. All hon. members have to do is to look at the increase in the income limits. Today we have lowered the age at which the pensions are payable to the blind.

Mr. Speaker, as one who has spent all his life in furthering the interests of the people, and will take second place to no man in that regard in this house, I say that I am proud to have brought forward what the hon. member for Spadina (Mr. Croll) said was a progressive step, and what the hon. member for Kootenay East (Mr. Matthews), in a responsible and careful speech, referred to as a commendable measure on the part of the government. This is a progressive step. We have raised the level of pensions to the aged. This government was the first in the history of Canada to do that.

Mr. KNOWLES: But they did it under pressure.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Mr. BLACKMORE: On division.

Mr. SPEAKER: On division.

Motion agreed to on division, and bill read the third time and passed.

VETERANS AFFAIRS

BUSINESS AND PROFESSIONAL LOANS—PROVISIONS WITH RESPECT TO PARTNERSHIPS

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs, for Mr. Abbott) moved the second reading of Bill No. 396, to amend the Veterans Business and Professional Loans Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

On section 1—"Guaranteed loan."

Mr. GREEN: I asked some questions last evening which were to be answered today.

Mr. MAYHEW: Last evening the hon. member for Vancouver South asked how many applications have been rejected. As far as the Department of Finance is concerned we have no knowledge of the number of applications rejected. The applicant goes to his bank and makes his application, so we really have no way of finding out when an application is rejected unless the applicant complains or makes some further representation to the Department of Veterans Affairs. As far as the Department of Finance is concerned we only get those applications that have been approved by the banks, which come forward for approval by the department.

Mr. GREEN: I do suggest there should be some way of finding out how many applications were rejected. It may be that a great many veterans applying for these loans are being turned down by the banks, but from what the parliamentary assistant has said today the government has no information on that point. Surely that is one of the most important questions in connection with this whole plan—whether or not the veteran is getting a square deal from the banks. We should know whether many are being turned down, yet today we can get no information on that point.

Mr. WRIGHT: I must agree with the hon. member for Vancouver South. It seems to me we have no way of judging the adequacy of this measure unless we have information as to the number of loans being made and the number of applications being turned down. Has the minister the number of loans that have been made since the act came into force?

Mr. MAYHEW: This act has been in force only five and a half months, and in that time 2,271 loans have been concurred in. They have not all been completed as yet, but that number have been concurred in.

Mr. WRIGHT: What is the total amount, and what is the average loan?

Mr. MAYHEW: The total of those actually granted is $816,000. It will require $3,943,000 for the applications that have been concurred in up to the present time.

Mr. CRUICKSHANK: How many have applied?

[Mr. Mackenzie.]

Mr. TUCKER: If I may say just a word—

Mr. CRUICKSHANK: We cannot hear back here. I have asked a question of the parliamentary assistant, as to the number who have applied. We do not know that yet.

Mr. TUCKER: If the hon. member will permit me—

Mr. CRUICKSHANK: I don't want to hear about Saskatchewan; I want to hear about the veterans.

Mr. TUCKER: I am speaking on behalf of the Department of Veterans Affairs, and with the permission of the hon. member for Fraser Valley I shall try to give some of the information for which he has asked. As of May 31, 1947, 2,051 applications had come to the Department of Veterans Affairs, of which 2,031 had been concurred in and 20 had not been concurred in.

Mr. BROOKS: Can you tell us how those are divided across the country?

Mr. TUCKER: Yes, I can give that information. The applications by provinces are as follows:

	Concurred in	Not Concurred in
Prince Edward Island	30	..
Nova Scotia	80	..
New Brunswick	48	1
Quebec	29	..
Montreal	125	..
Ottawa	81	3
Kingston	84	..
Toronto	300	..
Hamilton	106	..
London	150	..
North Bay	61	..
Winnipeg	143	2
Regina	124	..
Saskatoon	81	8
Calgary	177	..
Edmonton	176	..
Vancouver	236	6
	2,031	20

I repeat, those are the figures as of May 31, 1947.

Mr. GREEN: Are those not only the cases where the bank has accepted the application and passed it on to the Department of Veterans Affairs? The figures we want are of the applications that have been rejected by the banks and therefore have not come near the Department of Veterans Affairs.

Mr. TUCKER: I was going on to deal with that. What the hon. member has said is quite correct. The figures I have given are the applications that have been dealt with by the banks and passed on to our department. In connection with the applications made to the banks it is unfortunate that we

have not more up to date figures. The banks make a report once every quarter in regard to their administration of the act. So we have the report of the banks only in reference to loans actually made up to March 31, when the act had been in operation only two and a half months. It takes a certain time for those loans to go through the necessary legal process, for the equipment that is being purchased to be procured, and that sort of thing; and really, having in mind that the act was in force only two and a half months when the return we have was made, I think it is a rather good record when I say that 493 loans actually had been made, amounting to $816,239. As of yesterday the second quarterly report was due, which of course would bring us more up to date. All the figures we can give hon. members, now, however, are that as of March 31, 1947, the Department of Veterans Affairs had concurred in 1,154 loans totalling $1,986,000. That meant that that number of loans had actually been entertained by the banks and passed on to our department. Of those loans 495 had actually been completed, leaving, as the hon. member can see, well over 600 still in process of going through at the end of the first quarter. That is the actual picture, as far as it can be given to the committee.

With reference to what has been said by the hon. member, a close check is maintained by the Department of Finance in regard to the administration of the act by the banks. Instructions are sent out by the Department of Finance to the banks in connection with the administration of the act. Those instructions are handed to our department for representations before they are sent out. So that there is complete cooperation between the two departments.

Mr. GREEN: The parliamentary assistant has not answered my question at all. He says there is a complete check by the Department of Finance. Apparently that check is not close enough for the department to know how many applications have been turned down by the banks. I repeat that perhaps that is the most important feature of the legislation—whether or not the veteran is getting a fair deal from the banks. We should be told how many applications have been turned down by the banks. We should also know what machinery has been set up so that the veteran who has his application turned down can appeal either to the Department of Finance or the Department of Veterans Affairs for a review. Is there any such machinery in existence? If so, in how many cases has it operated?

Mr. TUCKER: The officials of our department tell me that when this amendment is accepted it will take care of practically all the complaints made. It is designed to meet the complaints coming to our department in connection with the act. I am told by responsible officials of the department that when the amendment goes through it will take care of practically all the complaints which have come in. I believe it is fair to assume that if there was any feeling that the act is not being administered properly we would have had a considerable volume of complaints. I can state that that is not so.

Mr. GREEN: I am sure the parliamentary assistant will agree that there is a blank which should be filled. The Department of Veterans Affairs should not sit back and wait for complaints to come in from Halifax, Vancouver or the Yukon. It is not easy for a veteran to send a complaint to Ottawa, and he hesitates to do it. But there should be a check by one or both the departments concerned as to how many veterans are being refused loans by banks. I can only take it from what both parliamentary assistants have said that there is no such check, that they have no such information and that they are working in the dark so far as the turning down of applications by the banks is concerned.

If the parliamentary assistant will just sit down for a moment—

Mr. TUCKER: I thought the hon. member was through.

Mr. GREEN: Sit down and keep cool. I would urge upon the parliamentary assistant that this gap be filled at once and that steps be taken not only to get that information and to keep it up to date, but also to have provisions by which the veteran can complain to the department if his loan is turned down.

Mr. TUCKER: To answer the question—

Mr. WRIGHT: My question is along the same lines. The parliamentary assistant has said that the banks have already made one quarterly report; is that correct?

Mr. TUCKER: Yes.

Mr. WRIGHT: Did they not state in that report the number of applications they had and the number which were granted? It seems to me that would be part of the report.

Mr. CRUICKSHANK: The hon. member for Vancouver South in my opinion is doing a great service to the veterans in this connection. I wish to ask one or two questions. It seems to me that the Department of Veterans Affairs and the Department of Finance are fighting

among themselves, and the veterans are being left out on a limb. Those departments might as well get together. I want some direct answers to my questions. With all the officials they have, surely they should be able to answer. How many veterans have been turned down by the banks in British Columbia? That is my first question. Then I am entitled to know how many have been turned down in the constituency of Fraser Valley, if any have applied. What is the amount of each application so turned down? I do not want names of individuals. When this matter was discussed in the veterans affairs committee we said that so far as the Department of Veterans Affairs was concerned, nothing was being done. I want to know how many have been turned down by the banks, and the amount in each case, in British Columbia. Were there any appeals, and if so who heard those appeals?

Mr. ROSS (Souris): Mr. Chairman—

Mr. CRUICKSHANK: Just a minute; surely, with two parliamentary assistants, one of them should be able to answer a simple question like that.

Mr. MAYHEW: Mr. Chairman, the first thing I want to make clear is that—

An hon. MEMBER: Oh, oh.

Mr. MAYHEW: You are not in Saskatchewan now. We are trying to do a job here for the returned soldiers, and we want to get on with it as fast as we can.

Let me say first that there is no war at all between the Department of Finance and the Department of Veterans Affairs. On the contrary there is the closest cooperation. The Department of Finance is as anxious to get loans for these men as it can possible be, and is making every move it can make in that direction. But there is no way I can devise—and if anyone in the committee can suggest a way, it would be welcome—whereby we can keep track of the man who goes to a bank and says, "I would like to get a loan under the act." The bank manager may finally come to the conclusion that it would not be advisable to give the loan. There is an application, and no record is made of it.

Mr. GREEN: May I ask—

Mr. MAYHEW: Let me finish. There is no record; it was just a conversation which took place.

Mr. ROSS (Souris): They report smaller things than that to head office.

Mr. MAYHEW: Up to June 16 of this year 2,271 applications had been approved. The report given by the Department of Veterans Affairs was to March 31, the end of the year. The figure of 2,271 which appears in the report I tabled yesterday is the number approved up to June 16, 1947, and is fairly well up to date. Of that number, the approvals were divided as follows:

Province	Number of Applications Approved
British Columbia	255
Alberta	405
Saskatchewan	237
Manitoba	159
Ontario	867
Quebec	166
New Brunswick	55
Prince Edward Island	37
Nova Scotia	90

The total amount involved is $3,943,490.81. It is not necessary for a veteran to come to Ottawa to make a complaint. An officer of the Department of Veterans Affairs in any of the branches will listen to a complaint, and it will be forwarded to Ottawa.

Mr. GREEN: Is there any reason on earth why the government cannot require the banks to make a return showing applications rejected?

Mr. CRUICKSHANK: Hear, hear.

Mr. GREEN: I cannot see any reason why that information should not be obtained. I suggest it is vital information. We want to know whether the veterans are being turned down in large numbers. The parliamentary assistant said that a bank manager might discourage a loan. That should be reported to the Department of Veterans Affairs. It may be that a certain bank manager is too harsh. After all, the banks are not taking a great chance under this legislation. They are just about as safe as they could be, because they have the dominion government standing right behind them.

Mr. HARTT: Why should they discourage them?

Mr. GREEN: I want to find out. That is all the more reason why we should have this information. If no department has that information, then we must insist that it be obtained. There is no reason why provision could not be made for it to be reported every month.

Mr. MUTCH: I think we need to go back for a minute or two to the origins of this legislation. The idea seems to be running through the minds of some of us that this is part of the benefits which were conceived for veterans generally, but that is not so. Loans made under this legislation are flat business deals. In making a loan the bank is acting primarily as its own agent and only

in a secondary capacity as the agent of the administration. There is nothing to prevent anyone who has served in the forces of Canada from making an application under this act. Conceivably they all might make applications, but those who helped to frame the act, including some of those who are commenting on it today, were aware then and are aware now that it is a business proposition. Conceivably if everybody who might applied for a loan under this legislation and loans were granted to those who were entitled to get them as a business proposition—you do not get a loan because you served, you get a loan because you have a certain financial background and certain financial—

Mr. GREEN: We know all that.

Mr. MUTCH: Maybe my hon. friend knows it, but he does not talk as though he remembered it.

Mr. ROSS (Souris): That is not the point of the discussion here.

Mr. MUTCH: I have been very patient in listening, and whether you are patient or not, you are going to listen. So far as this particular legislation is concerned or so far as any veterans' legislation is concerned I have nothing to learn from my hon. and learned friend or from my hon. and noisy friend. I think it would be to the disadvantage of the veteran himself if we should send across the country the statement that so many thousands had applied for these loans and that only so many hundreds had in fact obtained them. There are bound to be considerable numbers of frivolous applications, and a considerable number of applications must be turned down. If that information were sent out it would leave the impression with many deserving cases that this thing was just a bit of political eyewash and was not designed to help the veteran.

Mr. ROSS (Souris): Are you sure it is not?

Mr. MUTCH: That is not case, and my hon. friend knows that the figures speak for themselves.

Mr. GREEN: Don't say what I know; I will look after that.

Mr. MUTCH: I do not object if it is possible to get from every bank manager in the country how many veterans he gave perfectly sound banking advice to that they were not open to take advantage of this legislation. Further, we know that the provision for approval by the Department of Veterans Affairs was primarily to make sure that persons who were not entitled to consideration could not obtain any of the benefits under this legislation.

Mr. GREEN: They never bother with the applications that are turned down.

Mr. MUTCH: I know they do not, and I see no particular reason why they should. They do not hear from the banks. As I pointed out a moment ago, if there were any considerable number of these the public might be harmfully affected. I want to go on and say to the hon. member for Vancouver South and all those who have had anything to do with these matters that if the veterans feels that the bank, acting as the agent of the government, is acting unreasonably, then it would not be very long before we, let alone the government, would know about it. In my own case I have not had a single complaint. I may have been fortunate, or the bankers in my district may be more enlightened. But we do know that there have been complaints and as a result of those complaints the officers of the departments are seeking to make this legislation effective by means of these amendments. I am prepared to accept their word that they will take care of the majority of the complaints which have been made. As I remember it, the banker may transact his business in a manner which permits him to be more generous to the veteran than he would be to the civilian. I suggest to the committee in all humility that we will be serving their interests to the greatest extent if we do everything we can to see that this system functions as liberally as possible by accepting these amendments or by making other suggestions rather than by attempting to discredit, not deliberately perhaps—

Mr. GREEN: Just a minute; I must ask that the hon. member withdraw that. That is a most ridiculous statement, that anybody is attempting to discredit the act.

Mr. MUTCH: I am casting no reflection upon the hon. member for Vancouver South, and I would be the last in this committee to do it, having worked with him for many years. I would not suggest for one moment that he is deliberately doing that or has any intention of creating such an opinion. I have given it as my opinion, and it is my opinion that by proceeding with that kind of thing we shall not be helping these men. I am not going to withdraw my opinion. I assure my hon. friend that I am not suggesting for one second that that is his intention. I am simply giving a warning, if he prefers it that way. I think there is danger of discouraging the use of this legislation if we broadcast that so many thousands of applications have been rejected, without knowing the background, without knowing whether they were frivolous, or without knowing anything of the economic

position. You do not do a man a favour by lending him money which he cannot repay. We have to rely on somebody, and I would rather rely on a hard-headed bank manager than on a government official, even an official of this government, when it comes to a business decision such as this. For that reason I hope that we can consider how we can help the veteran rather than suggesting, even obliquely or indirectly or unintentionally, that the veteran is not getting the backing which he deserves from the legislation.

Mr. CRUICKSHANK: I have enjoyed very much the lecture from the suburbs of Winnipeg. We had it day in and day out in the veterans affairs committee. I want to tell the previous speaker that the hon. member for Vancouver South, who happens to belong to a different party than that to which the member for Fraser Valley belongs, and I, do not need any lecture from him on our services on behalf of the veterans.

Mr. MUTCH: Nobody has suggested that you do.

Mr. CRUICKSHANK: The hon. member spoke for three-quarters of an hour and said nothing. The hon. member took up two-thirds of the time in the veterans affairs committee, and he gets up now and makes insinuations about members who have asked simple questions. I am going to ask a question, and it will have to be awfully simple for him to understand. I am entitled to ask this question as a member of that committee and as a member representing veterans in my riding. My hon. friend is entitled to his ideas.

Mr. MUTCH: Thank you very much.

Mr. CRUICKSHANK: I should like to know how many have applied for loans in the province of British Columbia and in the constituency of Fraser Valley. I should like to know how many have been rejected. That is a simple question. I should like to know the amount of each application that was rejected in the province and in the riding. That is a simple question, and surely I am entitled to an answer.

I want to correct some of the statements that have been made. We said when we brought down this legislation that we were doing it to help the veterans establish themselves on farms and so on. The banks do not stand to lose one dollar. They are protected throughout by the revenues of the Dominion of Canada. My hon. friend may want to protect his banker friends. That may work out all right politically in his riding, but in my riding we are interested in the veterans, not in the bankers. I have asked a direct question and I would like an answer.

[Mr. Mutch.]

Mr. TUCKER: All the figures I can give I gave before. The number concurred in in the province of British Columbia is 236, to a total amount of $458,069.24. The number not concurred in is six, to the value of $12,833.33. That is as far as the Department of Veterans Affairs is concerned. It is not broken down into constituencies, because I was under the impression that the only way in which this act was not functioning almost to the complete satisfaction of the veteran was in respect to what we are now legislating on. Those were the only matters on which we were getting complaints, and we are bringing in this bill so that the act will function one hundred per cent to the satisfaction of the veteran. I understood that these amendments would be concurred in without a great deal of question. If that is not the wish of the committee, of course we are in the hands of the committee.

In regard to the number declined, the banks have advised the Department of Finance of the number who applied. Of course there are also many applications pending. The only figures we have are those where applications have been granted. In regard to those declined, it is hard to say when a loan is declined because a man may come in and discuss the matter with a bank and not proceed with an application after talking it all over. The act had been in operation for only two and a half months, on March 31 last when the report we have was made. We could easily give the numbers that have actually been granted, but it would be a mistake to suppose that all the remainder—the difference between those where we had actually given our consent and those granted—are not going through. As has been pointed out, as of March 31 last the applications concurred in by the Minister of Veterans Affairs numbered 1,154 and actually 495 had been completed. The remaining 600 would be in process of going through, either getting the necessary legal documents completed or purchasing the machinery or something of that sort. It is too early, I submit to the committee, to endeavour to make any judgment as to whether any large number of applications is being declined, because as of the last report of the banks, after the act had been in operation for two and half months, they had granted 495 applications out of 1,154 which we had passed on. The rest are in process of going through. The committee will realize that it takes time for these matters to be completed. Documents have to be completed, machinery purchased, investigations made, and so on, and any information such as is asked

for by hon. members is simply unavailable, that is all. I think that will commend itself to the members of the committee.

We keep in close touch with the veterans through the various branches of our department, and any veteran who feels that he is not being treated right by the bank is perfectly free to make his complaint. Our departmental officials took the attitude that if we could get these amendments through it would meet practically all the complaints we were getting. Hon. members know that I took this up with veterans' representatives in the various parties in the house and asked them if we could get these amendments through to cure the situation without great difficulty. I was pleased with and want to express my appreciation of the cooperation of the veterans' representatives in endeavouring to get these amendments through.

Mr. ROSS (Souris): I do not think the parliamentary assistant has yet answered the hon. member for Fraser Valley. I want to go back a little further. This legislation was announced last August, and I could not say just how many veterans asked me after August when the legislation would become operative. I know that a great many veterans in my riding wanted financial assistance to get established in business and some finally got it from private individuals, friends and others. I do not know why, if this legislation was to assist the veterans, it took from last August until last January to become operative.

Following up the question under discussion this afternoon, I know a little bit, as almost a permanent borrower from the banks, about how they report to their head offices and all the minor details within the community that they go into. Have the banks been asked to show in their quarterly statement the number of veterans who have actually come to the banks and discussed the question of a loan? I think the banks should give that information in their quarterly reports. I agree with the parliamentary assistant that a great many people may come in and talk over a loan and be talked out of it by the bank manager. That is perfectly true, but there is no reason why the bank manager should not report these discussions to the head office, and why head office should not include that information in their quarterly report to the department. I cannot agree with the hon. member for Winnipeg South that it would be detrimental to the whole set-up; far from it. It is simply a matter of business which the Department of Veterans Affairs should ask the Department of Finance to do for them. The banks are not taking much of a chance on these loans. Most people who could take advantage of the act could obtain a loan on their own resources anyway. I am speaking after a lot of experience with veterans. Has the parliamentary assistant asked the Department of Finance to have this information made available by the banks, and if not, will he do so, in the interests of the veterans and the country as a whole? I am not advocating that foolish loans should be made to everybody, but parliament should be informed as to how successfully the act is working.

Mr. TUCKER: I can assure the hon. member that our department, in this matter as in all others, intends to follow this up very closely to see that the intention of parliament is carried out. I assure the hon. member, with all the emphasis at my command, that we are watching this act very carefully. It was proclaimed only on January 15, and had been in force only two and a half months when the banks made their first quarterly report—the only one we have—and so it is impossible to give any figures as to loans declined which really mean anything. I also want to say that it has been very much in the mind of the Veterans Affairs Department to make sure that the act was carrying out the purpose for which it was passed, and that is why this amendment is before the house. It was felt that this would cure almost all the complaints that we were getting, and so we said we will put ourselves in the hands of the house and open the act to make it do what we wanted it to do. I assure hon. members that our department is taking a real interest in this act, as in all other parts of veterans legislation, in order to carry it out to the best possible advantage of the veteran.

Mr. McKAY: The parliamentary assistant has said that this act has been in effect for only two and one half months. He is in error, because it was proclaimed on January 15, 1947. I should like to ask the same question as the hon. member for Souris and to support him in what he has said with regard to a number of veterans who have complained about the inoperation of the act. It was passed in this house last August. All through the fall veterans came to me wondering when it would be possible for them to go to a bank and secure a loan. Why was there such a lapse of time between the passage of the act through the house and the setting up of machinery and the putting into effect of the act, so that veterans could get loans. It was so late in some cases that the loan was of no benefit to them at all.

Mr. MAYHEW: This matter relates to the Department of Finance and I think I should

comment upon it. Assent to the bill was given on August 31 last—August 31, 1946—and the act was proclaimed on January 15, 1947.

Mr. McKAY: Almost six months ago.

Mr. MACKENZIE: Many negotiations had to take place in the interval.

Mr. MAYHEW: Some hon. gentlemen seem to think that as soon as you pass a bill someone can sit down over night with pencil and paper and scribble out some regulations and that is the end of it. But the amount of time involved in preparing the regulations, first of all in making arrangements with the bank and then getting the regulations ready and submitting them to justice and to veterans affairs, and then trying to get the whole thing worked out, is considerable.

Mr. MACKENZIE: There was not a day lost.

Mr. MAYHEW: There was no time lost. Hon. members will realize that when we left here at the end of August last year these men had been working day and night, many of them, and they had only a few days left in which to get their summer holidays, to which they were entitled. Since the act was given assent to, I have been close enough to the whole question to know that no time has been lost by the officials. A great deal of correspondence had to be exchanged between the different branches, and I myself had questions put to me many times by people who wanted to know when we would get the act into operation. I sometimes thought there was delay, but I was on the job in November and well into December and I can assure the committee that there was no delay that could have been avoided in getting the whole thing started.

This legislation this year seeks to aid in every way possible both from the angle of the Department of Defence, from the angle of the Department of Veterans Affairs and from our own point of view, to make it a success, and it can be a success. But there will be a little time in getting it worked out. I would suggest to those who are interested in veterans affairs that they suggest to the veteran that if he is contemplating asking for a loan he use the form which is set out in the regulations here, and on that form make his application to the bank. Then it can come back to the Department of Finance and we can check up. But we have no way of checking up on private conversations between veterans and bank managers. If the veterans use the form available to them there will be every chance.

We want to encourage these men. The statement has been made that the banks have nothing to lose. The government guarantees twenty-five per cent of the first million and fifteen per cent of the other, so that the banks have a stake in it; and, regardless of what some people think of the banks, the banks are interested in the progress of the country. Every man who makes a success of his business is an advantage to the banks, and therefore the banks have everything to gain in encouraging these men, if you want to put it on the coldest possible basis. I insist that the banks are trying to do a good job and we shall get it worked out.

Mr. CRUICKSHANK: Who questioned the banks?

Mr. MAYHEW: Nobody.

Mr. CRUICKSHANK: Why then insinuate?

Mr. GRAYDON: There is a case which I should like to bring to the attention to the parliamentary assistant. It has been before the department previously, but perhaps now it may be covered by this amended legislation, and I want to have the view of those in charge as to whether or not it would be covered. This was a young veteran who, in August, 1946, noticing in the newspapers that this particular legislation was about to be proclaimed, or was to become law a little later on, believing he had some rights with respect to the purchasing of a business, did purchase that business, giving a mortgage in connection with it. It was a tearoom business, and he gave a mortgage for $2,000. From information I have, it was at the rate of something like eight per cent per annum. Then, feeling that the loan was only for a short time, he made application because he calculated that he would be able to avail himself at once of the loan provided under this legislation. He found then, however, that he was stuck with the loan, that this act could not cover what they chose to call past indebtedness, and the result is that he is now stuck with an eight per cent mortgage over his head. He is in a difficult position financially. I am wondering whether this legislation now covers such a case, which has aroused the interest of one of the major branches of the Canadian Legion and which may be typical of some other veterans who probably are in the same position. Perhaps the parliamentary assistant can enlighten me.

Mr. MAYHEW: The second amendment is the one dealing with that and it takes care of that very thing. That man will be able to get his loan once this amendment is made, other things being equally satisfactory.

Mr. CRUICKSHANK: May I make a statement in connection with what the parliamentary assistant to the Minister of Finance

said, and I speak for private members. Some of us private members have to borrow money occasionally from the banks, and the banks have been very good to me. The parliamentary assistant is most unfair in his reference, probably because he is in a more fortunate position than we are. As to the suggestion about criticizing the banks, no member who has spoken has passed any criticism upon them. Why should we? The banks cannot lose. The people of Canada are guaranteeing every dollar the banks are lending to the veteran; and it is most unfair for the parliamentary assistant, inadvertently I admit, to imply that when we, as private members, criticize this or any other bill, which is our right, we are criticizing the banks. There has been no criticism of the banks. I owe the banks some money today and I will borrow more tomorrow if they let me, and will enjoy doing so. It is unfair for him to say that we are criticizing the banks.

Mr. HERRIDGE: I am pleased to see the government introducing this amending bill, no doubt after considering the suggestions made last year in the veterans committee. On a question like this we have to offer constructive criticism, and we must not be in too much of a hurry to criticize before the act has been in operation for a certain length of time. For once I cannot agree with the attitude of the hon. member for Fraser Valley. The hon. member for Winnipeg South made a sensible remark. This is a novel type of legislation, something entirely new in the field of loans, partly guaranteed by the government. I have no brief for the banks, but I have talked to a number of bank managers and I know the average bank manager will review any reasonable case and give the veteran all the breaks he can under the terms of the resolution. That is what I have found in my experience. As the hon. member for Winnipeg South said, we are doing no favour to a man by lending him money if he has not a reasonable chance of success.

I wish to make a suggestion with regard to the question of reporting the applications? I have talked to a number of men. You are bound to have large numbers of men without previous experience, possibly lacking in judgment in some instances, who think, because of this legislation, there is an opportunity to borrow some money, and become established in business where their future is assured. With these men going to the bank, explaining their circumstances, when the bank manager sees at once that the proposition they have to offer is unreasonable, is unlikely of success, he can tell them so. But if, after discussing the matter with the bank manager, the veteran wishes to make application, then he makes written application to the bank manager and I think those applications should be reported to the Department of Veterans Affairs. Of men who spoke to me and who were wishing to make applications to the bank for a loan under this act, I know of a few cases on which it would simply be a waste of the official's time, a waste of stationery and a waste of the time of everybody concerned to make complete reports, because the men either misunderstood the act or were endeavouring to go into some proposition which was thoroughly unsound in the first instance.

Mr. MAYHEW: I probably gave a little bit of wrong information to the hon. member for Peel. You cannot borrow money from the bank to pay off old accounts. But where a man entered into an agreement between September 1 and January 15—that is, after the act had been passed, he went into it—he can pay that off with this loan. It could be used, in other words, as a part of the loan.

Mr. GREEN: As his cash payment.

Mr. MAYHEW: As his payment.

Mr. GREEN: Is that not all?

Mr. MAYHEW: That is all.

Mr. GRAYDON: May I get this thing straight? The position is, I think, exactly as I indicated in my earlier remarks. It does look like a chance for this parliament at least to come to the rescue of someone such as the man to whom I referred. It really was not past indebtedness in the ordinary sense of the term, because it was indebtedness incurred with the belief that he could avail himself at once of the terms of this legislation when it was proclaimed. That is a little bit different from the case of a veteran who, without any thought or knowledge of an act of this kind coming into effect, perhaps incurred some indebtedness. This seems to be on a different basis from that, and I was hoping that the parliamentary assistant's first explanation would be the one that was tenable, because it would relieve a situation in a bona fide case, where the veteran is in a difficult position.

Mr. TUCKER: As hon. members will recall, the committee gave a great deal of consideration to this question of whether money could be borrowed to pay off any existing indebtedness. After careful consideration, it was felt that it would be difficult to permit that in order to cover a legitimate case such as the hon. member for Peel has mentioned, but at the same time not open the door to having unloaded under this act loans which were made and were turning

out or had turned out to be bad. It was finally the feeling of the committee that you could not permit a loan to be made under this act for the purpose of paying off any existing indebtedness, because it would be open to abuse. That is, a person might make a loan which looked to be good but which turned out to be bad. Then what could be better than to unload it under this act upon the dominion government? So the committee came to the conclusion that it would be unsafe to do that. Hence you cannot borrow money under this act except for the purposes set out in the act, which is to advance the veteran in the ways prescribed. You cannot borrow money under the act to pay off existing indebtedness, because it was feared that might lead to abuse. I may say that, as members of the committee will recall, we gave a great deal of consideration to that feature.

Mr. GRAYDON: Is no discretion possible?

Mr. TUCKER: Then there is danger of abuse.

Mr. ISNOR: My case is similar to that mentioned by the hon. member for Peel. Last September three airmen entered into an agreement to construct a good-sized restaurant and dance hall in the suburbs of Halifax, and borrowed money when this act was being considered. The parliamentary assistant should look at it in the light of the fact that it was part of an undertaking entered into, as suggested by the hon. member for Peel. They entered into the transaction on the understanding that it would be brought within the scope of this act when it came into effect. For that reason I think the case referred to by the hon. member for Peel, as well as the one mentioned by me, should be considered in that light, and that favourable attention should be given to their request that a loan be approved to carry out the provisions of the building agreement.

I could go into a more extended review of this case, but I do not think it is necessary. The parliamentary assistant to the Minister of Finance has the file. I was hoping that the amendment proposed by this bill would be broad enough to take care of this particular case. Before a decision is given against the hon. member for Peel, I suggest to the parliamentary assistant that he give the matter further thought. I feel that the intention of the original act was to assist young servicemen to establish themselves in business by providing the necessary funds. Having that in mind, and also the fact that these men and no doubt others entered into agreements such as I have mentioned, I hope the interpretation will be wide enough to meet the situation.

Mr. TUCKER: Section 3 (1) (iv) of the act prescribes that a loan may be made to a veteran for "any purpose as prescribed which may be deemed to benefit his business." I suppose, if a person had taken on a load of debt at a high rate of interest, for the purpose of going into business, and that load was strangling his changes of success, and there was a chance of getting it at a low rate of interest and spreading it over a long period of time, that might be considered as a purpose "which may be deemed to benefit his business". I think it would be fair to say that will be taken into consideration as a suggestion, if there are many cases which seem to be legitimate, that consideration be given to the possibility of taking care of such cases under the section which I have cited. But, of course, it would have to be circumscribed and laid down with a great deal of care so that it would not be subject to abuse.

Mr. HARKNESS: I do not think there is very much in the argument which the parliamentary assistant has put up, that following the suggestion made by the hon. member for Peel in regard to people who have secured loans in order to buy businesses, in anticipation of getting a loan under this particular act, would lead to abuses and that a great number of bad loans would be unloaded on the government. I do not think there is any validity in that argument, for this reason: Every one of those loans must be approved by a bank manager. I do not think any bank manager who has been holding that job for any length of time in this country will recommend a second loan to pay off what has turned out to be a bad loan, because he would take into consideration there would not be a very good chance of the loan being repaid. The fact that a bank manager has to approve the loan before it is made completely throws out the argument put up by the hon. member for Rosthern.

Mr. TUCKER: The hon. member has missed the point. The committee had in mind seeing to it that this guarantee of twenty-five per cent of the first million dollars was used to the benefit of veterans, and not to enable any financial institution or anyone else to unload on the government a loan that seemed to be going bad. Remember, there is a heavy guarantee by the government in connection with these loans, and if some financial institution found that a loan which looked very good last fall seemed to be

going bad, because of something that had happened in the meantime, if the right were given under this act to switch a loan of that kind it would simply mean they could unload that debt on the dominion government. That is the point I was trying to make; I am not saying anyone would do so, but the committee suggested that was something which should be borne in mind. I say, if we are to make provision for the case mentioned by the hon. member for Peel we shall have to follow the suggestion of the committee very carefully and see to it that it is not subject to abuse in any way.

Mr. WRIGHT: I think what has been suggested would require an amendment to the act, would it not?

Mr. TUCKER: It could be done by regulation.

Mr. WRIGHT: It would only require a change in the regulations?

Mr. TUCKER: Yes; any purpose which has been prescribed, which may be deemed to benefit the veteran's business.

Mr. WRIGHT: Some time ago I asked as to the number of applications made to the banks and the number accepted. The parliamentary assistant stated there was no record of those which had been rejected, and I think he made a very good suggestion when he said anyone dissatisfied with the decision of the bank had the right to fill out the application and file it, in which case it would be on record. The parliamentary assistant to the Minister of Veterans Affairs said his department had received a certain number of complaints in regard to loans being refused.

Mr. MACKENZIE: Mainly in regard to delays.

Mr. WRIGHT: I am going to ask him to give the committee the number of complaints that have been received up to date, or to the latest date available, and the number of those complaints that would be taken care of by the amendments now suggested. He told us a large number would be taken care of by these amendments, and if we had those figures we would get a better picture.

Mr. TUCKER: I am sorry I have not those figures. I took the advice of our officer in charge of the matter. I did not ask him to go back over the files to see the exact number of complaints, but he told me these amendments would take care of practically all of them. If the hon. member wants the exact number of complaints and just what proportion would be looked after by these amendments it would require going back over the files for the last four or five months, and I do not know whether that would serve any useful purpose. If the hon. member wants the information I suppose we can get it for him, but I should hope that would not hold up this bill. The main objection to the bill that came to me was in connection with the delay in getting it actually into operation, and the delay in getting the regulations promulgated. Once that was done and the act came into active operation, I am bound to say it worked even better than I expected, and that the response was much greater than I expected.

Mr. GREEN: Will the minister and the two parliamentary assistants see to it that from now on they get information from the banks as to the applications that are rejected? This controversy arose out of the question I asked last evening, which was as to how many applications have been rejected. It is obvious that the government has not that information; but under paragraph (m) of subsection (1) of section 7 of the act, which deals with the regulations, we find this power:

> . . . to require reports to be made periodically to the minister by a bank in respect of guaranteed loans.

Will the government undertake to have the information available in future as to the number of applications that have been rejected? I really think we are entitled to that information.

Mr. MACKENZIE: I think the request is most reasonable. I believe a report should be made by the banks quarterly, or possibly more frequently, giving the information my hon. friend requests. I also want to tell him that if he looks at the correspondence he will see that the Department of Veterans Affairs was most persistent and aggressive in getting more immediate action in regard to this measure.

Mr. GREEN: In other words, the Department of Finance were to blame?

Mr. MACKENZIE: I would not blame any department. The Department of Finance had some delicate negotiations to conduct with the banks. It was a new type of legislation, and difficult to put into operation. The Department of Finance have been most cooperative—

Mr. GREEN: They were cooperative but a little slow; is that it?

Mr. MACKENZIE: Perhaps we were all a little slow; I do not know. Anyway, we were most persistent and aggressive, and I know the Department of Finance had difficult negotiations to conduct with the banks before they would agree to what we thought was a rational method of procedure in regard to these loans. That is the story.

Mr. BENTLEY: I just want a little information, and then to offer a comment. I should like to ask the parliamentary assistant to the Minister of Veterans Affairs the grounds for non-concurrence in the twenty cases he mentioned a short time ago.

Mr. TUCKER: The grounds were almost entirely that the persons were not veterans as defined in the act itself. The veteran must be a person resident and domiciled in Canada, who has received or is entitled to a gratuity under the War Service Grants Act, and who has not elected to take benefits under the Veterans' Land Act, 1942. Practically all cases of non-concurrence have been on one of those grounds.

Mr. BENTLEY: There would be practically no other ground on which the department could decide not to concur, because when the veterans affairs committee was sitting I believe it was established that only the banks had to right to refuse a loan, and all the Department of Veterans Affairs had to do was to identify the man to the bank as requested.

I should like to support the hon. member for Vancouver South and others who have asked for a report, not of every conversation a bank manager has with any fellow who might want to talk over a loan, but as regards those veterans who have actually made formal application and been formally refused. I think that is proper information.

One other matter was brought up here to which I think a little more careful study might be given. That was the question raised by the hon. member for Peel, in which we are all interested, the matter of making these loans in order to retire loans already made by other people. Take the case of a veteran who comes home and whose brother or some other relative lends him money to start up a business. Later the lender needs the money back. The veteran might try to arrange a loan under this act on a good, going concern, but the fact that he had a previous loan from somebody else would militate against his getting a loan from the bank. I believe the Department of Veterans Affairs should establish machinery of some kind to examine into cases of that sort and make it possible for veterans to get, under this legislation, loans with which to repay loans previously obtained, so that they may continue with their business. In many cases those loans were made as a matter of family duty, out of pockets which were none too plentifully supplied with money.

Mr. TUCKER: The matter will be studied, and if it is possible to do anything, it will be done.

Section agreed to.

On section 2—Guaranteed loans.

Mr. HARKNESS: I want to ask a question in regard to the date in this section, which I presume is the date this bill was given royal assent, in relation to people who embarked upon expenditures in order to secure a business, between that date and the time the act actually became operative.

Mr. TUCKER: That is the next section.

Mr. HARKNESS: No, it is part of subsection (3) of section 2. I know of at least one or two cases where people did exactly what it is intended that this section shall cover, but they did it before royal assent was given. In other words, the measure was under consideration in the house. They were fairly sure it would become law, and they made expenditures in connection with the purchase of businesses, expecting that they could get loans afterwards. If they had done that between the first day of September of last year and January 15 of this year they would have been eligible under this amendment. However, they anticipated what might happen, and they are not eligible. I would ask that the date be moved back at least two months so that it would take in those who anticipated what was to take place.

Mr. MACKENZIE: We are prepared to agree to that suggestion.

Mr. BROOKS: Why limit it to two months? I was going to point out that some returned soldiers had entered into business before this act was in force. The intention is to give all returned men a chance to establish themselves in business. If one man was home sooner than the others, why should he be discriminated against? If it can be made retroactive for two months, why not six months? As has been suggested by the hon. member for Nanaimo, why not make it retroactive from the discharge of the soldier? I am sure the department will get into trouble if it makes it two months, because some will ask for three.

Mr. MACKENZIE: Perhaps we might think about it during the recess, with a view to putting in January 1.

Mr. GREEN: The veterans cannot get the benefit in the meantime. I suggest that it would be fair if the date were changed to April 1, the beginning of the fiscal year.

Mr. MACKENZIE: Or January 1, 1946.

Mr. GREEN: That is even better. The amendment could be moved now, could it not?

Mr. MACKENZIE: Yes.

Mr. HARKNESS: The farther it is put back the better pleased I shall be. I suggested two months only because I happened to know of one or two cases where the two months would have been effective. But the farther back it is placed, the better it will please me.

Mr. BROOKS: What was the reason for putting in September?

Mr. TUCKER: That was the date the act came into force. There was some objection that there was delay in getting it into operation.

Mr. MACKENZIE: I move:

That section 2(3) be amended by striking out the word "September" in the eighth line thereof and substituting therefor the word "January."

Amendment agreed to.

Mr. GREEN: Has any further consideration been given to making loans available where the veteran is going into a company rather than a partnership? That was the recommendation of the committee last year. That recommendation was not accepted by the government. The British Columbia command of the Canadian Legion passed a resolution in June of this year with regard to the Veterans Business and Professional Loans Act, which states:

That loans be available for businesses which are incorporated provided that all stock in the organization is owned by the veterans engaged in the business, or their immediate families.

Mr. PROBE: Were they thinking of the Montreal Taxicab Company?

Mr. GREEN: It might apply, there, too. The minister is taking power under the new amendment to make advances to existing partnerships. Has consideration been given to making loans where veterans are forming a company?

Mr. MACKENZIE: That matter has been considered, but so far no decision has been arrived at. I must ask the committee to give further time, so that the department may consider carefully the point raised by the hon. member.

Section as amended agreed to.

Section 3 agreed to.

On section 4—Bank security.

Mr. PROBE: The purpose of this amendment is to add the words "personal" and "or movable" in connection with collateral which a bank may accept as security when making a loan. It may be argued that a veteran is able to get a loan more readily if he is willing to put up all his personal property as collateral to satisfy the bank's requirements in respect of additional security. It would seem to me that this is a vicious principle and one in which we should not concur. The effect of it will be that a bank will tie everything up. It has been my experience that any time I go to a bank for a loan everything I possess is immediately tied up until the loan is satisfied. Where the furniture and personal chattels of a veteran are concerned, surely the government is not demanding the additional few ounces of flesh in addition to the pound it is already demanding by way of security.

Would one of the parliamentary assistants please justify this so that, with my limited intelligence of banking, I may understand it more clearly.

Mr. HERRIDGE: I am pleased with this amendment. There are several men in my constituency who purchased small sawmills in the last year. This amendment will permit them to offer as security that personal property.

Mr. PROBE: That is equipment. I am not arguing about shop equipment.

Mr. TUCKER: The hon. member will find there are limitations set out in paragraphs (a) and (b), where it is stated that this can be taken only upon property in respect of which all or part of the proceeds of the guaranteed loan are to be expended; or an assignment of the rights and interest of a purchaser under an agreement for sale of real or personal, immovable or movable property; or a lien or conditional sale contract for personal or movable property in respect of which all or part of the proceeds of the guaranteed loan are to be expended. In other words, it is limited to goods which are to be bought with the proceeds of the loan, or part of the proceeds.

Mr. PROBE: That would not be furniture.

Mr. TUCKER: No.

Mr. PROBE: Let us suppose additional security is taken by a bank in order to secure itself to better advantage. For example, in paragraph (h) of the section which we have just passed they are allowed to change the conditions under which a loan may be granted,

and that might mean the calling in of additional security from time to time. Will the effect of section 4 be to make it possible for the bank to extend its security to personal or household effects? I am quite prepared to admit the validity of what the hon. member for Kootenay West said a moment ago because, if there are business articles, it is natural that the bank will take those as part of its collateral.

Mr. TUCKER: Under the Bank Act, the bank has no power to take such chattel security, and that is the reason for this amendment. This amendment carries it as far as it has to go. The bank can have as security movable or personal property with respect to anything purchased with the proceeds or part of the proceeds of the loan. There is no risk of anything of the kind such as that mentioned by the hon. member for Regina City. Except as mentioned, this does not give a bank the right to take security in the form of personal property, either at the time the loan is made or later.

Section agreed to.

Bill reported, read the third time and passed.

RAILWAY ACT

CONCURRENCE IN SENATE AMENDMENTS

Hon. LIONEL CHEVRIER (Minister of Transport) moved the second reading of and concurrence in amendments made by the senate to Bill No. 255, to amend the Railway Act.

He said: The amendments made in the other place do not affect the substance of the bill, but the form only. It has to do with the drafting. Amendments were made to sections 5, 6 and 7 and in perhaps eight or nine different places the word "such" was changed to "the". I have no objection to these amendments.

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

SUPPLY

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

DEPARTMENT OF TRANSPORT

402. Departmental administration, $544,000.

Mr. GREEN: We did not expect to have supply until seven o'clock, and I understood that several other bills were to be taken up this afternoon.

Mr. MACKENZIE: The house is going to rise at five o'clock. I gave a promise to the leader of the Social Credit group, who is not in his seat at the moment, that we would call the bill respecting the eastern slope of the Rocky mountains. He was going to help me in putting it through because I do not know very much about it. I promised supply for seven o'clock this evening, when we come back from another function, and we could spend the next five or ten minutes on the Rocky mountain bill, if that is the desire of the house. I should like the leader of the Social Credit group to be here.

Mr. BLACKMORE: The hon. member for Peace River thought it would be impossible for that measure to be reached before five o'clock. However, he will be here shortly.

Mr. MACKENZIE: I think we had better keep to the understanding we had. The Minister of Transport will be the first in supply at seven o'clock. With the leave of the committee, I would move that the committee rise, report progress and ask leave to sit again this day.

Item stands.

Progress reported.

RADIO BROADCASTING

CHANGE OF MEMBERSHIP OF COMMITTEE

Mr. MACKENZIE moved:

That the name of Mr. Bentley be substituted for that of Mr. Knight on the special committee on radio broadcasting.

Motion agreed to.

FOREST CONSERVATION

EASTERN SLOPE OF ROCKY MOUNTAINS—AGREEMENT WITH ALBERTA

The house resumed, from Monday, June 30, consideration in committee of Bill No. 362, respecting the protection and conservation of the forests on the eastern slope of the Rocky mountains—Mr. Mackenzie—Mr. Macdonald (Brantford City) in the chair.

On section 1—Short title.

Mr. PEARKES: The short title of this bill deals with the protection and conservation of forests on the eastern slope of the Rocky mountains. I would suggest that the dominion government has a strong, if not a direct interest, in the forest resources and that it should give real and continuing assistance to the efforts of all the provinces in the conservation of their forests. I suggest that, in so far as the eastern slope of the Rockies is concerned, the great hazard to the forests, namely, fire and the movement of insect pests, are not limited by

the actual topography of the ground or by provincial boundaries. Forest fires spread, quite heedless of whether the provincial boundary runs across the line of fire and insects spread quite irrespective of the height of ground or whether the forests are on the eastern or the western slope of any particular range of mountains.

I have advocated in the last session that the federal government should show more interest in the development of our forest industries. I would point out that fifty per cent of the total lumber production for the whole of Canada comes from British Columbia and that of that fifty per cent, eighty per cent comes from what is known as the coastal region, where there is still much virgin timber. It seems to me that now is the time for the government to protect that virgin timber because, if that is not done, the time will come when the virgin timber has all been utilized, and we must ensure that by the time the virgin timber has been cut and turned into lumber there is a second crop coming up. It is only by ensuring that this second crop will be available at the time the virgin timber has been exhausted that we can assure that this country will be able to maintain its timber industry.

One-third of the territory of British Columbia is potentially productive either of agricultural products or of timber resources. But only one-sixth of that one-third is agricultural production, and the other ninety-four per cent is only productive if we can keep the timber growing.

The amount of export of timber from British Columbia is fifty per cent at least of the whole of the production of timber in the dominion, and the total export of timber is twenty-five per cent or one-quarter of the total exports of this country. The timber exports are second only to those of agriculture. Other governments, such as the governments of Australia, South Africa and the United Kingdom, have spent large amounts of money to ensure that the growing of timber is continued, and I suggest that Canada must stay in the timber business.

I should like to read into the record evidence which was given by Mr. H. R. MacMillan a short time ago when speaking before the commission of inquiry on forest resources of British Columbia:

> The coast forest district (of British Columbia) produces over 80 per cent of the annual forest crop of this province. If the young coast forests do not burn, it appears certain that the coast forests will increase in absolute and in relative importance. The forests of the coast district produce more than 80 per cent of the public revenues from all forms of taxation based on forest income. The coast district also grows the largest crop annually per acre. The annual growth per acre in the coast district is at least eight to ten times the average annual growth in the most productive forest regions east of the Cascade mountains. Growing as it does at an average distance of about twenty miles from the ocean and navigable waters, the coast forest, as compared with the interior forests, is more accessible to a larger provincial population and therefore more valuable as a support to large permanent communities and as a basis of a very important foreign trade. Therefore, it is reasonable to suggest that the immense forest resources of the coast forest district should be treated, not only as a separate administrative and protective unit, but also as a separate financial unit for protection purposes.

That last sentence refers to the action which is being taken by the provincial government. My whole point is this. I want to emphasize the paramount importance of concentrating efforts, not only on the eastern slopes of the Rockies, but also on the more valuable timber resources of British Columbia.

Mr. BLACKMORE: Is it the intention to continue with this measure at seven o'clock?

Mr. MACKENZIE: I was just going to mention that. I should like to modify what I said a few minutes ago. I was called suddenly out of the house and, when I spoke, was not acquainted with the developments. I think it is the general desire of the house to finish this bill, and so I shall modify what I said last night, with the permission of the house, about taking supply at seven o'clock. We shall first of all finish this bill and then go into supply, first on the Department of Transport and, following that, Justice and Labour, if that will suit the convenience of hon. members. I shall now move that the committee rise, report progress and ask leave to sit again this day.

Progress reported.

At five o'clock the house took recess.

After Recess

The house resumed at seven o'clock.

FOREST CONSERVATION

EASTERN SLOPE OF ROCKY MOUNTAINS—AGREEMENT WITH ALBERTA

The house resumed consideration in committee of Bill No. 362, respecting the protection and conservation of the forests on the eastern slope of the Rocky mountains—Mr. Mackenzie—Mr. Macdonald (Brantford City) in the chair.

On section 1—Short title.

Mr. LOW: Mr. Chairman, I think it would be well at this stage if you would allow me to say something in a general way about the

bill, not to create any precedent before the house, but more particularly because neither on the resolution nor on the motion for second reading did we carry on anything like a general discussion.

I should like, at the outset, to congratulate the government on bringing forward this measure at this session. It is a worth-while agreement that has been reached with the province of Alberta. It is a worth-while bill. The Minister of Mines and Resources (Mr. Glen) is to be congratulated on the splendid work he did in all the negotiations that took place between the dominion and the province leading to this bill. I only wish he were in the house tonight so that I could convey to him, on behalf of the province of Alberta and the group I represent, sincere thanks for what he has done. I can only hope that it will be conveyed to him, by some of his colleagues, that I have mentioned here how well regarded he is in Alberta for the splendid job he has done in connection with this bill. I know it is not often that members on this side of the house commend the government, but I am sincerely commending the government tonight for their farsightedness in bringing forward the measure at this time.

At the outset, too, I should like to refer briefly to two or three short passages in the statement made by the Minister of Mines and Resources on February 28, and I am reading particularly from page 889 of *Hansard*. The minister on that occasion said:

> I am pleased to report that as a result of extensive discussions during the past year with Premier Manning and the Hon. Mr. Tanner, Minister of Lands and Mines, we have been successful in arriving at the outline of an agreement which will be submitted concurrently for the consideration of this parliament and of the provincial legislature.

Well, the agreement has been consummated and the bill is now before us. On page 889 the minister said:

> . . . may I add a word of appreciation of the whole-hearted cooperation extended by Premier Manning and the Hon. Mr. Tanner in working out the details of the arrangement. In our discussions at no time did they forget the wider interests involved.

I thought it was very kind of the minister to make that statement, and I am in a position to know that in all the negotiations which have taken place over the years the wider interests of Canada as a whole were never lost sight of. I hope that in the discussion of the bill tonight we shall keep in mind, not just the interest of Alberta by any means, but the interest of Canada as a whole, and especially of those provinces which are served by the rivers that rise in the east slope of the Rockies.

[Mr. Low.]

Again on page 913, the minister said, on February 28:

> The government of that province—

He was referring to Alberta.

> —has frankly admitted its inability adequately to protect the area and took the view that the expenditures it was making were all that could be justified in the interest of the province alone and that the problem was of vital concern not only to the provinces of Saskatchewan and Manitoba, but to the whole of Canada.

I think everyone will agree that the protection of this most important watershed is a national problem and that it would be against the national interest if the responsibility therefor were left solely to Alberta. I agree with the minister, and I congratulate him on having arrived at that conclusion after a most careful and sympathetic study of the whole problem. There are those, however, who have an idea that Alberta, after the transfer of resources in 1930, neglected the east slope of the Rockies. I was told so, as a matter of fact, by an hon. member last night.

In order to place clearly before the members of the committee just what a task it has been, I should like to cite some figures to demonstrate that the province of Alberta took its responsibility seriously from the very first year that it had charge of that great resource, the forest on the east slopes of the Rocky mountains. Exclusive of capital expenditures, the total amount spent by the province over the years from 1932 until the present time was $4,169,000 in round figures. I wish to emphasize that this was exclusive of capital expenditures for works in the various forest districts.

The average per year was $260,000, and when one considers that the province did manage to vote over a quarter of a million dollars in each of those years when her income, her total revenues, did not exceed $16 million for all services, and when fifty-one per cent of her total revenues had to go to pay interest on her debt, the $260,000 becomes quite a sizeable figure.

Alberta, recognizing the very good work that was done by the dominion government in 1910, when it organized and by statute passed in this house made provision for the Rocky mountain forest reserve, decided to follow that pattern and to organize all of the east slopes of the Rockies, not included in the national parks, into smaller forest areas. Over the years, from 1933, new forest districts were organized. We had the northern Alberta, the Brazeau, the Jasper-Edson, and so on until all areas on the east slopes outside of the national parks found themselves in one or other of these forest areas.

In the organization of these districts, it was found advisable to place each one under the supervision of a ranger who was given such trained assistants as we could possibly get at the time. I might emphasize here that for quite a number of years after Alberta took over her natural resources she found it exceedingly difficult to obtain trained personnel. Trained men were just not available to take charge of the work which had to be done in this area.

However, much progress was made under the supervision of a warden with assistants. These people went out into these new districts, explored carefully, and finally selected sites on which to establish lookout towers and forestry stations. Usually these lookouts were established at high points from which vision would be clear for many miles, covering a vast area. These eventually were well equipped with a comfortable cabin, with a lookout tower in the cupola of which were placed not only range finders and compasses, but also telescopes for the purpose of spotting fires and locating them accurately.

But the lands and mines department also went beyond that and established at many of these stations short wave, two-way radio communications, the idea being to keep in communication with the central forestry office in the city of Edmonton, in the lands and mines building there. During the day, all during the spring, summer and autumn until the snow fell, a ranger remains at the cabin observing during the daylight hours and he is on call for twenty-four hours of the day. At any sign of a fire in any one of the districts the ranger attempts to spot it accurately with the range finder and then radios back to headquarters the information he has been able to get. Then he directs the fire-fighters in their attempt to reach the spot as quickly as possible to extinguish the fire. In my own experience in Alberta I have found, on many an occasion, that, within an hour or so after a radiogram came in to headquarters, a group of fire-fighters would be on their way out to the spot; and many hundreds of fires were put out while they were yet small, instead of being allowed to grow into large ones which would spread over a huge area. A short wave radio network was built up by the province, operating through a central control station in Edmonton, covering the whole of the province from the southeastern point to away up into the most northwesterly point.

In 1938 and 1939, as an added service, the province arranged with the various airway companies operating out of Edmonton, for lookout and stand-by plane service. Various companies were operating planes running into the north and west part of the province and into the territories; as they were flying, for a basic fee the pilots would keep a sharp lookout. If they spotted a fire they would radio back to headquarters giving a description of the location, of the territory, and how it might be reached. Within a matter of hours, a force would be on its way out to fight the fire. In some cases stand-by planes were used to rush men and equipment to the threatened area in order to catch the blaze while it was yet small.

Investigation has shown that ninety per cent of the fires are started as a result of human carelessness. The cause of some fires which appeared to be mysterious was found, by careful experiment and investigation, to be cigarette or cigar butts which were dropped out of the cockpits of planes flying at thousands of feet above the terrain. That sounds almost impossible; but, amazing as it might seem, a cigarette butt will smoulder throughout a fall of several thousand feet, and retain sufficient kindling power to start a bad fire in the dry season. Warnings, of course, were sent out, and we obtained the finest of cooperation from the airway companies, who made regulations prohibiting the pilots from smoking while they were passing over any of this territory.

In addition to that sort of thing, in some instances in certain areas we found that farmers and settlers would start fires deliberately in order to be able to get work by the day, putting them out. That is a terrible thing. But we have largely overcome that now by careful organization of the forest districts and the more careful patrol by rangers and their helpers.

Early in the life of the present government Alberta started to integrate their whole conservation programme. As I have already stated, trained foresters were scarce. But as men became available they were trained for full time work in the forests: for patrolling, for lookout work, for fire-fighting, observing and studying the wild life cycle and predators, both animal and human, all with the objective of conserving the timber and wild life resources and preserving the cover in order to perpetuate the naturally controlled water run-off which might feed the reservoirs of the river systems adequately throughout the whole of the year rather than just through the period of high or flood waters in the late spring.

Alberta's approach early in the thirties was constructive. Plans were laid for reforestation, which is the most important phase of conservation work. But we found that the cost was prohibitive for one province alone to bear. Hence Alberta very early appealed to

the federal government for assistance. Ever since 1937, the matter of the protection of the forests, in the interests of the watershed of the east slope of the Rockies, has been under discussion between the federal government, particularly the Department of Mines and Resources, and the provincial department of lands and mines. From the beginning of this discussion the province has taken the stand that the protection of this east slope is of national importance and should, therefore, be financed largely by the federal government.

From the beginning of my experience in public affairs I can say that Alberta has been keenly interested in water conservation. She looked upon the protection of her watersheds as a sacred trust. Alberta has also been much interested in water utilization. I do not intend to deal with that; other speakers may wish to say something about it. But I contend that no other province in Canada has done so much in this regard. The interest of the people of my province in water utilization is undiminshed; rather, I should say, it is growing yearly. Just as an indication of how important this is to the people of Alberta, and how we regard it, I should like to read one or two small extracts from a speech made by Hon. Mr. Manning, premier and provincial treasurer of Alberta, on the occasion of presenting his budget.

An hon. MEMBER: This year?

Mr. LOW: Yes. By the way, this is his budget speech delivered on March 7, 1947. I find at page 6 the following statement by the premier:

> In my address of last year, I mentioned the St. Mary's river development project as a part of a large scale irrigation programme which, when completed, would add some 345,000 acres of land in the Taber, Medicine Hat and Milk river areas to that already under irrigation. As a preliminary step, the province, the previous year, had undertaken the construction of the East Pothole Coulee dam, an integral part of the larger project. This work has been in progress for almost a year; and will be completed during the coming summer. During the past year, the dominion government awarded two contracts involving an expenditure of over $2,800,000; and construction is now well under way. Negotiations with the dominion government have been carried on for some time in an endeavour to work out a fair and equitable agreement whereby each government will carry its fair share of the cost of construction, colonizing and maintenance of the several proposed projects in the province. Substantial progress has been made along this line and I am hopeful that it will reach fruition in the very near future.
>
> The project known as the Lethbridge southeastern or St. Mary's-Milk river will involve a total expenditure of a sum in excess of $15,000,000.

Just here, let me congratulate both the provincial government and the federal government when reaching that agreement and upon getting on with the work of water utilization in the southern part of Alberta. Further to emphasize how this matter of water conservation and the protection of forests is regarded in that province I should like to read from page 16 of the same speech by Mr. Manning, where he says:

> The estimates of the department of lands and mines are increased by $218,000.

That was over the estimates for the previous year.

> A large portion of this is accounted for by two new appropriations—$30,000 to pay grants to municipal taxing authorities who are now restrained from levying mineral taxes—

But this one that follows is most important:

> —and $55,000 for the commencement of a forestry survey which will have great conservational and commercial value. The balance of the increase in the department is mainly for the purpose of providing additional inspection and protection in our forest reserves.

To sum up what the minister said in this last extract from his budget speech, it simply means that a total of $190,000 over last year's votes for the department of lands and mines was to be spent this year for conservation and surveys on the east slope of the Rocky mountains. I believe there is much evidence that the province has realized fully the great importance of preserving the forests so that the run-off can be controlled and so that we shall have a constant supply of water in those rivers which rise in the east slope, not only for use in Alberta, but also in Saskatchewan and Manitoba, the provinces to the east. Alberta, but also in Saskatchewan and Manitoba, the provinces to the east. Alberta is still far out in the lead in the matter of conservation of the waters that fall upon this watershed. Alberta is also far out in the lead in the utilization of these waters, particularly in the areas of southern Alberta that were formerly considered drought areas. Alberta naturally would give every support to the bill now before us, and certainly I take pleasure in assuring the committee that this is a most worth-while measure.

In conclusion, may I emphasize one or two important matters that should be considered by the new board which is to be set up under this act. Hon. members will note that the bill provides that a board, to be known as the eastern Rockies forest conservation board, is to be set up, consisting of three members, two of whom shall be appointed by the federal government and one by the lieutenant governor in council, to take charge of the management, development, reclamation, reforestation and all those things concerned with the east slope of the Rockies. The bill also provides for a capital expenditure to be

borne by the federal government, covering a period of six years, of $6,300,000 for the location and construction of works for the purpose of making inventory of the forests, for the reforestation of the said area, and for other things that relate to the watershed.

When this board is finally set up and gets under way I hope it will recognize the great need for widespread education and instruction in individual responsibility on the part of the people in the area for the preservation of the watershed. Protection of the forests is not a matter that can be accomplished by a small board or by any particular group of men named by governments. Protection of the watersheds and forests of this whole country must be the individual responsibility of every citizen, not only those living in the area concerned, but also those living out on the plains, who may receive some benefit either directly or indirectly from that great heritage which is ours. That is why I appeal to the new board to take steps at the earliest possible moment to set up, in collaboration with the department of education of Alberta, high school courses, perhaps in composite high schools in the area, for the training of a forestry class of people. In most of the countries of the world where they have been successful in preserving their forests and keeping them free from predators, animal and human, and preserving the wild life, you will find that they have trained and established a forestry class of people. Sweden is a right good example of that, and Ontario has done something similar. I can think of no more useful thing for the board to do than to provide, not only training, but also work for the young people living in areas contiguous to the east slope of the Rockies, so that they can establish themselves and live useful lives in their own communities. Many times I have noticed the number of our young people who are forced by circumstances to go to far fields to seek their livelihood; and I think that is wrong. Here we have a chance to do something worth while to keep those young people in the area by training them in most useful and highly interesting work, that of reforestation, conservation, preservation, the study of wild life, and all that sort of thing. They would remain there, I am sure, for generations; they would be happy, and would feel they were contributing much to the wealth and welfare of this great country. Today we have even greater need of trained foresters than we have of trained agriculturists. I am not saying agriculture should take second place to forestry, but we already have a great number of trained agriculturists. So I say, without fear of contradiction, that today we are in greater need of a trained forestry class than of further trained agriculturists.

I say this simply because authorities have agreed that we are wasting our resources much faster than it will be possible for us to reclaim them, unless we start right now on a conservation programme. Let me just read from an authority on this subject, by way of answer to anyone who may question what I have just said:

> During the pioneer days of the dominion, and up to recent times, the immense natural wealth represented by Canada's forests had received little or no protection in the practice of conservation regarding its development. That is coming at last, but it has come too late to save the mighty firs and cedars of the Pacific coast. As one writer has already pointed out, we cannot wait for another thousand years to go by in order that we may increase our timber supply of this category.
>
> Everywhere we must employ the strictest conservation of what is left, take only what is safe to take, and accept without criticism whatever quantity or quality may be officially allowed us.

Perhaps the board will have something to say about that sort of thing. Then he goes on:

> Reforestation—the planting of seedlings from forest nurseries—must be carried out on an ever-increasing scale, and only merchantable timber in properly regulated quantities must be taken. If we fail in this, history, in the near future, will indeed have a sad story to tell of the fate meted out to our vast forested regions.

Then he quotes some figures which I believe the committee should have before it to show the utter necessity of speed of action if we are to prevent disaster in Canada with respect to our forests. I shall quote some figures given by this man, Mr. J. L. Irwin, who for many years was an official in the department of lands and mines of Alberta. He says:

> Statistical information covering Alberta's fire losses from October 1, 1930, to the close of the calendar year 1944 is given as follows.

And I would ask hon. members to note this particularly:

> Number of fires within forest reserves, 416.

That is, the number of fires in all the forest reserves covering the greater part of the east slope was only 416. Then:

> Number of fires outside forest reserves, 4,472.

These figures give some idea of the tremendous value of organization under forest reserves and under proper supervision by wardens and helpers.

Then:

> Number of acres burned over: within forest reserves, 331,046.

That is tragic, in itself. As one travels through forests that are burned over and sees

those stumps standing stark and bare, the beauty of the area gone, the water line uncontrolled, he cannot help feeling how tragic the situation is. Then:

Number of acres burned over: outside forest reserves, 7,200,577.

Let me give that comparison again: inside forest reserves the number of acres burned over is 331,046 acres, and outside forest reserves it is 7,200,577 acres.

With respect to the period from 1930 to 1944, fourteen years, the statement is as follows:

Loss of saw timber, unsalvable; within forest reserves, 959,780,000 F.B.M.; outside forest reserves 2,240,828,000 F.B.M.; total, 3,200,608,000 F.B.M.

That is, in fourteen years there was a total loss of unsalvable timber to the extent of 3,200,608,000 feet, board measure.

I shall not trouble the committee with any more figures. I believe I have said sufficient to indicate how grateful for this bill are those of us who live in Alberta and who have come to realize the tremendous value of the forest, to Canada, not only from the point of view of merchantable timber, but more especially from that of the conservation of watersheds, to prevent floods in the spring and to make it possible to control the flow so that there will be a regular water supply the whole year, not only for Alberta, but for Saskatchewan and Manitoba.

I emphasize that we are keenly interested in doing our share. We are continuing to do it as a province, and I want the committee to know the provincial government is grateful to the dominion government for having brought forward this measure. We shall certainly give it our enthusiastic support.

Mr. McKAY: Mr. Chairman, I wish to register my support of this measure. I support it particularly because I can see that in time it will confer certain benefits upon Saskatchewan and, indeed, upon the whole of Canada. I approach the subject somewhat differently from the hon. member for Peace River; but I believe he realizes, as do other hon. members, that we in Saskatchewan are very much concerned about the flow of water from the Rocky mountain slope.

We in Saskatchewan are irrigation conscious. As everyone should know, we are vitally concerned in this matter, because the flow of water we need for irrigation purposes must necessarily come from the area which has just been under discussion. The source of prairie water flow to which I have just referred, certainly in so far as the Saskatchewan river is concerned, is in that mountain area, and is confined to the flow from the eastern slope of the Rocky mountains.

There the snowfall is heavy, and it is in the heavy snowfalls that the rivers which flow through Saskatchewan and the plains to most parts of Manitoba and Alberta have their starting point. Any system of irrigation for the plains is inextricably linked up with the steady flow of water in those rivers. It is because of that I take this stand tonight in strongly supporting the eastern rocky mountain forest conservation bill now before the committee.

If the mountain and foothills snows to which I have just referred melt too rapidly the waters rush away in flood, with the result that a large part of the water is lost. If the snow melts gradually, with the melting line going farther up the mountain sides as the summer advances, there will be a steady flow into the streams of the foothills, and thence into the prairie rivers such as the North and South Saskatchewan, which can be utilized in any irrigation project affecting the southern areas of Saskatchewan.

Many years ago in its primitive state the eastern slope was a densely forested area. When the slope was in that state it retarded the melting of the snows and provided a steady flow of water. But fire, the axe and the lack of a complete reforestation programme have denuded large sections of the slopes, with the result that the snows now melt rapidly and rush away in high tide, very often causing flood conditions.

In such a state these waters confer little benefit on either Alberta or Saskatchewan. The irrigation of the prairies is a highly desirable project and can be permanently effected only by reforesting the eastern slope of the Rocky mountains, and by having the foothills reservoirs constructed so that the flow may be regulated. It seems to me that the protection of the source of the supply of water is the foundation upon which irrigation for the plains must be built, and the act of the government to ensure a continuity of water supply is one I highly commend.

Western people are now demanding irrigation projects, and a programme which is large enough to rehabilitate large sections of drought stricken areas. As I see it, this bill is a necessary step in that direction. May I express the hope now that irrigation will be one of the major post-war reconstruction projects for western Canada and that the west will not have to wait too long for its complete fulfilment.

Mr. HAZEN: What was the quantity and value of the standing timber in this area

when this great natural resource was handed over by the dominion government to the government of Alberta? What is the present value of the standing timber in this area which is to be under the control of this board? What revenue has Alberta received during the past few years from the timber resources in this area?

Mr. GARDINER: I rise not so much to answer the questions because I have not the information, and I do not think anyone would have that information here at the moment—information at least of an estimated nature can be had and produced in due course—but to say that this bill provides for the maintenance of forests along the east side of the Rocky mountains and for other works which will make possible the conservation of water which has its source along the east side of the Rockies.

The bill provides for the expenditure of some $6,300,000 within a six-year period under a board of three. This is only one of three understandings that are being reached with the western provinces of Alberta, Saskatchewan and Manitoba along the lines suggested by the last speaker. The first of the provisions is contained in this measure which provides for the conservation of water at its source and for the conservation of timber areas which make it possible to retain moisture over a greater length of time at its source rather than have it rush down to the sea in a short time without doing much good to anyone.

The rivers flow from this source through three prairie provinces to the Nelson river and the sea at Hudson bay. The three provinces are concerned with the water that has its source in the Rockies and, as a result there has been an arrangement agreed to by the province of Alberta. This is under discussion with the provinces of Saskatchewan and Manitoba. I speak of it now because this will probably be the only opportunity to report it to the house before carrying the discussions further with the provinces. I think it should be reported to the house before the discussions are carried further, and I hope they will be continued next week. It does not appear that there would be any opportunity until the supplementary estimates are down to report the matter to the house in any way excepting now.

I want to say now that, so far as the federal government is concerned, there is a provision for the setting up of a board of five to decide upon the distribution of water as it passes through these different streams, largely through the North and South Saskatchewan rivers, eventually into Saskatchewan, then through Saskatchewan and into Manitoba. That board is to be composed of two members to be appointed by the federal government, one recommended by the Department of Mines and Resources and one by the P.F.R.A. organization under the Department of Agriculture, and a representative from each of the three provinces. The board will consist of officials who will receive no extra pay. They will be men who are engaged in this work and who will be called upon to meet from time to time to determine the proper division of water at the boundary lines of the different provinces, much in the way that the international water board determines the division of water at the international boundary line.

In addition to that, there is an arrangement being entered into based upon the principles contained in an agreement, which has been discussed, but is not in the form of a signed agreement as covering the project on the St. Mary's river. This resulted from discussions with the Alberta government which were referred to a few moments ago by the hon. member for Peace River—relative to the St. Mary's dam. The understanding reached there is that the federal government will build the dam for the conservation of the water which will be utilized by organizations set up under the provincial irrigation act. The government has made provision for entering into agreements with the provinces of Alberta, Saskatchewan and Manitoba by which the water will be conserved by the dominion and distributed by the provinces. There will be a point at which the full cost of distribution will be taken over by someone other than the dominion government. The dominion government would take certain action to conserve the water and some other organization set up locally would make use of the water.

In general terms those are the provisions that have been made by the three different arrangements. First, there is the provision to set up a board under this bill to conserve water at its source. Second, there is the provision to set up a board which will determine the division of water as among the provinces. Third, there is the provision for agreements with the provinces under which water will be utilized for irrigation and other purposes. I wanted to make this announcement in order that discussions with the provinces may go on more regularly and in order that the knowledge of those discussions might be placed before the house.

Mr. DIEFENBAKER: Will the plan the minister has just announced do away with the previously announced scheme whereby the dominion government was to build a dam at or

near Elbow, Saskatchewan? Will this now be the responsibility of Saskatchewan rather than the federal authorities?

Mr. GARDINER: This does not make any change in anything that has been announced previously. The previous announcement was to the effect that certain larger works would be undertaken in that area. The provision made in connection with the St. Mary's river is that the dominion will build a dam that stores the water, and then arrangements for the utilization of the water will be entered into with the provinces or with some irrigation district below the dam. It will be the same plan for the whole area.

Mr. DIEFENBAKER: Is it intended to have a similar plan in Saskatchewan by which the federal authorities will build a dam at or near Elbow or wherever it is determined along the Saskatchewan river to conserve the waters, and then the responsibility in so far as distribution for irrigation or other purposes is concerned will be that of Saskatchewan?

Mr. GARDINER: I am not speaking of any individual project; I am simply laying down the plan under which we are to proceed. The question as to whether there will be a dam at Elbow and how, will have to be decided as a result of discussion. The general plan is that wherever a dam is built the dominion government will proceed much in the way they are proceeding on the St. Mary's.

Mr. MACKENZIE: We went ahead with this bill this evening after it had been indicated by some of the groups in the house that there would be no opposition. Evidently there is to be a good deal of discussion on it, and I think we had better revert to the first order of business which I announced. I move that the committee rise, report progress and ask leave to sit again.

Progress reported.

SUPPLY

The house in committee of supply, Mr. Macdonald (Brantford City) in the chair.

PRIME MINISTER'S OFFICE

268. Salaries of staff and other pay-list items, $87,917.

Item stands.

ROYAL CANADIAN MOUNTED POLICE

358. General administration, $273,043.

Mr. DIEFENBAKER: The other evening I placed before the minister certain suggestions and asked him certain questions. I wish now to place before the minister further representations in connection with the Royal Canadian Mounted Police that have been directed to my attention by members of the force from one end of the country to the other.

I mentioned the other evening the marriage regulations, and the minister stated that it was necessary to have a proportion of single men in the mounted police and that no further change in the marriage regulations was anticipated. I would point out that during the last year a change has been made to which strong objection is taken by many members of the force. The period during which a police officer must serve before marriage was reduced to five years. In the period during which seven years' service was required one had to have only $500 available in cash to comply with the marriage regulations. That amount has been changed to $1,200 by an order issued on September 30, 1946, which provides that permission to marry will continue to be granted on completion of five years' service to those members who have proved their value to the force and in all respects meet with the regulations of paragraph 1313. That was changed in the fall of 1946 from $500 to $1,200. I would ask the minister whether consideration should not be given to restoring that to the former amount, representing the total assets of the police officer.

Mr. ILSLEY: The reason that was changed was that too many men were running into debt. They were getting married on too small an amount.

Mr. DIEFENBAKER: You want to get the best possible men in the mounted police.

Mr. ILSLEY: That is right.

Mr. DIEFENBAKER: First, you make it difficult to get into the force, when it is considered that from January 1, 1946, 8,166 have applied to join the mounted police and, of those, only 566 have been accepted. The standard is so high that only exemplary persons can join the mounted police. Surely we should not have a rule that weeds out the numbers who make application and then, after they get in, holds them to rules that I suggest are too strict and too stern. However, the minister has given the reason. But the mounted police managed to get along for many years under the rule of $500, and I personally know of only one man, in my many years of contact with the mounted police, who was ever seriously involved with overexpenditure in that connection. The minister has given the reason, but I ask consideration of the matter because these little

things cause a feeling of resentment that should not prevail in a force whose morale is always bound to be as high as that of the mounted police.

The second matter has to do with pensions, a matter that has been up before. It is the discrimination that apparently exists in the matter of pensions as between commissioned officers and non-commissioned officers. I will give an example. Section 52 of the Royal Canadian Mounted Police Act says, in effect, that upon the death of a commissioned officer his widow receives half his pension plus an allowance for each child. If the officer was not yet in receipt of a pension his widow receives an amount equal to one-half of the pension to which he would have been entitled if he had been retired compulsorily immediately before his death. That applies to commissioned officers. But a non-commissioned officer who had served nineteen years in the force and died in service, not by reason of any act arising out of service, and who, if he had served one year more, would have been entitled to a pension left a widow who was denied any pension because that man was in the ranks. I give one example and ask the minister to give consideration to changing this provision. One particular police officer who would have had twenty years service in the spring of 1947 died in November, 1946. His widow is not eligible for one cent of pension. If he had lived a few months more he would have been entitled, on retirement, to a pension of $67 a month. I suggest that some provision be made whereby the widow of the non-commissioned officer or man in those circumstances should be placed in the same position as the widow of a commissioned officer. It is a matter one often hears discussed. It is one that I am sure will appeal to the fairness and sense of justice of the minister.

The next matter has also to do with pensions, so that when the minister replies he can deal with pensions all at the one time if he will. Section 66 of the Royal Canadian Mounted Police Act reads as follows:

> Any constable who has completed not less than twenty years service shall be entitled to retire and receive a pension for life.

One of the reasons why the minister says that the rate of wages is not as high as it might be, having regard to the responsibilities of the mounted police, is that there are attractive pension features. That was the argument advanced by the minister the other evening. My attention has been drawn to the case of a non-commissioned officer and the case of a constable who have served for more than twenty years and who, desiring to retire, are denied the right to do so. The non-commissioned officer applied for pension at the end of twenty-one years' service and was told he could have his discharge plus three weeks' annual leave, but he was refused pension when he made the request for retirement to which he was entitled. This particular case of the non-commissioned officer I bring to the minister's attention because there are some 300 senior non-commissioned officers who have the right to retire and are concerned about regulations such as that.

Before I go on to other matters, I will give the minister an opportunity to reply to the general question regarding pensions. It was raised in 1945 and the then minister of justice advised that the whole matter was being considered by an interdepartmental committee. I suggest, since the minister promised that consideration would be given, that the pension system should be arranged so as to make that which is applicable to the R.C.M.P. similar to that which is applicable to the permanent army, navy and air force.

Right Hon. J. L. ILSLEY (Minister of Justice): The question of pensions for the Royal Canadian Mounted Police has received a great deal of consideration, and I hoped to be able to introduce amendments to the Royal Canadian Mounted Police Act this session, by which a different pension system would be put into force, but there have been so many difficulties in getting any agreement on that move that I am not able to introduce the legislation this session. The system is this. The officers have a contributory pension scheme. They make their contribution; the government makes its contribution, and then the officers and their dependents get certain pension benefits. But the men have a free scheme.

Mr. DIEFENBAKER: The officers plan only goes back to 1934.

Mr. ILSLEY: I do not know what the history of it is, but that is the system at the present time. Now, however, you have this peculiar fact in the R.C.M.P., that those other than officers have a free pension scheme. The men make no contribution at all, that is, so far as their own pensions are concerned. But they have themselves set up a pension scheme for their dependents to which the government makes no contribution whatsoever, and the regulation of that scheme is a matter for them. The government makes no contribution at all.

The hon. gentleman says that the scheme works out badly in some respects and perhaps it does. It may work out badly for the men and may work out badly in other ways as well, but up to date the representations I have

received from the force are that they much prefer to retain their present two schemes, one for the men to which they do not contribute at all, and one for dependents, to which the government does not contribute, instead of having a new scheme which would be on all fours with that applicable to the military forces, which would be contributory entirely and which, in some respects, would be less beneficial to the men and, in other respects, more beneficial. It would be more like other pension schemes.

I have put a great deal of time, and so has the treasury, on the matter of pensions for the R.C.M.P., and it seems to be a problem which is more than ordinarily difficult as pension problems go. In any event, as the Prime Minister announced today, I shall not be ready with legislation this session. That is the first case the hon. gentleman mentioned. That is the case where a widow is not entitled to pension. That derives from a peculiar system applicable in the R.C.M.P., a system which, as I have said, has these two elements, a free pension plan so far as members of the force are concerned, a plan to which the men do not contribute at all, and a plan for their dependents to which the government does not contribute in any way. I intend to get the matter ready, and I have every expectation of getting it ready, for the next session. It is undoubtedly true that the pension provisions of the R.C.M.P. ought to be amended. They will not all be amended in favour of the men, because it is a generous scheme as the matter stands at the present time. Some of the amendments will probably make it better for the men but it will be a different plan in some respects from that which now exists.

The second point brought up by the hon. gentleman was the refusal by someone to allow a non-commissioned officer to retire at the end of twenty years. Certain wartime restrictions upon retirement were imposed—

Mr. DIEFENBAKER: This was in 1946.

Mr. ILSLEY: I am told that the restriction is now removed. They are going out much more freely than they were.

Mr. DIEFENBAKER: I am sure that the members of the force will welcome the statement made by the minister that consideration is being given to removing the unfairnesses and anomalies under which non-commissioned officers and men have suffered as a result of the pension law. In making these suggestions, I am trying to be as helpful as I can to see that these men receive the consideration to which they are entitled. The minister stated that there are difficulties. I know there are members of the bar in all parts of the house who would willingly do their part to assist the minister in some committee that might be set up. I see across from me the hon. member for Spadina, who has devoted himself to this work and has a knowledge of it, and there are members on all sides of the house, who, I am sure, would give unstintingly of their services to produce an equitable pension situation so far as these men are concerned.

I pass now to one or two other matters. I refer to a question that arose last year out of the fact that certain non-commissioned officers and men resigned from the force, or rather at the termination of their period of service during the period of the war enlisted for overseas service. They served overseas for two or three years and, on their return, joined the mounted police once more. I raised the question on two or three occasions as to why these men, in the computation of their pension period, should not be entitled to count the time they served overseas, and also to their seniority being computed on the basis of their service in the force as well as the period during which they were in the armed forces overseas. The former minister of justice, acting on the advice of the senior officers of the Royal Canadian Mounted Police, replied to me on two occasions. He informed me that the reason why that was not being done was that a circular had been sent out early in the war advising men in the mounted police that they were needed in Canada and indicating that if they joined the army they would forfeit their seniority. I have heard from members of the mounted police, both non-commissioned officers and men; and without exception they contend that there must be some mistake in that statement, because a search in the offices of at least a dozen detachments in this country does not reveal any such circular having been delivered. Whether it was delivered or not—and I do not intend to enter into a controversy on that point—I contend that these men who served for years in the force and who, at the termination of their service felt that they could do more by serving overseas in the armed forces, should not be punished for what I might call desertion for the purpose of active service. In other words, they should not be punished because in their desire to serve in the armed forces when their period in the mounted police was over, they chose to go overseas.

This situation has caused quite a bit of resentment among members of the force. They consider it is not fair to them that, having served, this should be denied to them. They also point out that they are denied credit for their period of service overseas in the compu-

tation of the period required for qualification for stars. In other words, for every five years' service, whether in the armed forces or in the mounted police, a star is provided. These men who retired in this way and went overseas feel that they should not be denied the right to wear the stars of service because there was a break in the continuity of their service. Let me put it in this way. Suppose a man in the mounted police had served ten and a half years. His period of service was, say, ten years. His period of service was up. He went overseas. He comes back again and is reinstated. There are instances in which he is still being denied the right to wear his two stars which he had earned by service in the mounted police, because of the break in service occasioned by his enlistment. I ask the minister to remove these picayune things which cause a feeling that the service of these men is not appreciated. These are the main representations I intend to make, and before I go ahead I shall give the minister an opportunity to answer.

Mr. ILSLEY: I do not know very much about this armed service problem. Would the hon. gentleman make the same representations in favour of those who served in the armed services in Canada as for those who went overseas?

Mr. DIEFENBAKER: If they offered for active service.

Mr. ILSLEY: A great many of them did. A great many of them left the R.C.M.P. against the wishes of the R.C.M.P., on the promise of commissions and advancement in the armed services here in Canada, which they got. They even went back to the R.C.M.P. Some of them sought readmission, and some of them were readmitted. Just what particular obligations do the authorities of the R.C.M.P. owe these men in respect of promotion and advancement in this period I am talking about? Take the Canada ones to begin with.

Mr. DIEFENBAKER: If a man volunteered for the armed services, whether he served in Canada or overseas, he did so at the direction of the military authorities and he should not be penalized because his service was in one place or another.

Mr. ILSLEY: But the authorities of the nation requested these men to continue their service in the police force, just as they did with regard to the civil service in some respects. The rule was laid down in the civil service that civil servants, if they desired to enlist in the armed forces, should apply for leave; otherwise they would sever their connection with the service. It may be said that when a nation is at war the authorities have no right to direct the services of their servants, the officials, or those who are discharging public duties. But I do not think a nation could be organized for war if that is not the case. Some weight should be given to the wishes of the police authorities at the outbreak of the war with regard to the service of these persons; because it must be borne in mind that there were many others who, in all probability, desired to retire and enlist, but who did not do so because they felt that they should not, having been requested not to. From experience, I know that was the case in the civil service. Men were told they should stay here and do their duty, for which they had peculiar qualifications. These civil servants saw others retire, go into the service, get commissions and much larger pay, and work just across the road from them here in Ottawa, in uniform. Later these men come back and want to get into the service again on the same terms as the others.

Mr. PEARKES: Would the minister permit a question? In 1939, No. 1 provost company was formed and went over with the first Canadian division. It was composed, I think I am correct in saying, entirely of members who had recently obtained their discharge from the Royal Canadian Mounted Police.

Mr. ILSLEY: Oh, no—

Mr. PEARKES: They were employed entirely on police duty.

Mr. ILSLEY: Yes.

Mr. PEARKES: In connection with the army.

Mr. ILSLEY: Quite so.

Mr. PEARKES: Is it suggested that the military authorities and the commissioner of the mounted police were not in agreement that these men should go?

Mr. ILSLEY: Oh no, I am glad the hon. gentleman mentioned that. We are not talking about those men at all. Those men did not sever their connection with the police force. Facilities were supplied by the police force for their service overseas in that organization. They went with the full blessing and consent of the police authorities, and they forfeit nothing; nor should they forfeit anything. It is the ones who did not pursue the course they were directed by their superiors to pursue, who severed their connection with the force contrary to the wishes of their superiors, who have forfeited these privileges.

Mr. DIEFENBAKER: I have heard so much about these directions being given by

the superior officers. On two occasions the Minister of Justice has stated that a circular was issued and sent to the detachments. I have made the statement, on information received from over ten detachments, that a search fails to reveal that circular. I would ask the minister to clear up this matter by letting us see the circular and the date it was issued. He might lay it on the table, because these men say that such a circular was never drawn to their attention.

Mr. CROLL: The minister asked the hon. member for Lake Centre whether he would differentiate between those who served in Canada and those who served overseas. May I ask the minister if the department is differentiating between an officer who left and went overseas, was wounded and decorated and then came back, and any other officer; whether he is treated a little differently from the man who never got overseas. Is that the view of the department?

Mr. ILSLEY: There is no differentiation.

Mr. BROOKS: We know that under the act passed last year the government demanded and insisted that men who left civilian employment to go into the army, no matter how much they might have been needed by their employers and no matter what important positions they might have held, be reemployed by the firms with which they had been employed at the time, and given the same status they had previously.

Mr. ILSLEY: That is right.

Mr. BROOKS: It seems to me that the government should be placed in the same position as civilian employers.

Mr. ILSLEY: That is just the point at issue, as to whether they should be on the same level or a different level, because the question enters as to the nation's authority in time of war, and whether the government should be on the same level as private firms.

Mr. DIEFENBAKER: The hon. member for Royal has brought to the attention of the house a situation that is anomalous, to say the least. Under the Reinstatement in Civil Employment Act, as he pointed out, every man who left a position and joined the armed forces is entitled to his job and his seniority. But if he were an employee of the government of Canada that situation does not prevail.

Mr. ILSLEY: The hon. member is absolutely right.

Mr. DIEFENBAKER: I remember the former minister of justice saying that act does not apply to His Majesty the King.

[Mr. Diefenbaker.]

Mr. ILSLEY: Precisely.

Mr. DIEFENBAKER: Surely even at this date consideration should be given to assuring that what the king in the right of the Dominion of Canada asks of his subjects, he himself should be prepared to give to the employees of the dominion.

Mr. ILSLEY: That sounds just beautiful, you know, but it is a generality that will not work out. The government has provided that men shall have certain rights to leave private employment, that employers shall have certain rights of discharge, and all that sort of thing, but certainly those same rules could not apply in the army. Yet if my hon. friend applied this resounding generality of his he would say that what the king requires or directs in regard to industry, and so on, shall apply in the government service. That is not necessarily so at all.

Mr. DIEFENBAKER: As far as the mounted police were concerned they signed on for a definite period.

Mr. ILSLEY: Yes.

Mr. DIEFENBAKER: When that period ended, their contract with His Majesty ended. They determined then upon a course they were to follow. They said, "We are not going to sign on for a further period of three years; we are going to join the armed forces for active service." Surely the analogy the minister endeavours to draw does not apply to the position of affairs I have brought to his attention.

Mr. ILSLEY: Do I understand that my hon. friend is talking about policemen whose contract with His Majesty was fully discharged and terminated?

Mr. DIEFENBAKER: Yes.

Mr. ILSLEY: And who left at the end of the contract?

Mr. DIEFENBAKER: Yes.

Mr. ILSLEY: If that happened in private industry there would be no obligation upon the employer to take the man back.

Mr. DIEFENBAKER: I am taking that as an example.

Mr. ILSLEY: Then why mention this civil reemployment act?

Mr. DIEFENBAKER: Evidently I have touched a sore point with the minister. All these men ask is that the facts be told. First, the government took the stand that the reason nothing could be done for these men, the reason they were being penalized for having gone overseas in many cases, was that a

circular had been issued. If that circular was issued, at least the minister would have found ground upon which to stand. That has been the answer for two years now, that such a circular was issued and that, in the face of the circular, these men who were serving in the mounted police joined the armed forces. They say no such circular was ever delivered to them. We can close off this discussion very quickly if the minister will table the circular in the house, advising the members of the force that they were needed in the mounted police in Canada and that if they joined the armed forces they would lose their rights. If such a circular were delivered I would withdraw my objection, because that has been the excuse always given me and the other hon. members who have raised this point. The government said, "Well, these men knew what they were doing. They followed a certain course". Every one of these men who has communicated with me says that he never knew of such a circular, and that a search of their detachment offices reveals no such circular. So I ask the minister this very simple question. Will he table the circular and let the committee know the date it was issued?

Mr. ILSLEY: The commissioner advises me that this was a letter from the minister to the commissioner, published in general orders. I will table that.

Mr. NICHOLSON: The other evening I did not have a chance to follow the hon. member for Lake Centre when he discussed the regulations governing the members of the mounted police with respect to marriage. I was not greatly impressed with the minister's remarks on this subject. I think people who attach importance to the institution of marriage would agree that most people do more effective work after they are married than before, and I believe this would go for the personnel of the R.C.M.P. If it is difficult to get married men to serve with the R.C.M.P. in the north country I suggest that the way to solve the problem is to make life in the north more attractive. During the war I remember travelling north to Churchill and meeting a member of the R.C.M.P. who was returning to one of the far northern posts. His wife had been born in the New England states. She was very happy to be getting back to the north after a boring holiday down in the area where she spent the first years of her life. On the same train were a number of Americans employed in construction work in the north. The lowest paid man in the party was to receive for a year $450 a month, with free transportation from his home in the United States to the north and everything found. Others were to receive $500 and $550 a month. In passing, I might mention that, since then, Canada has taken over the military installations constructed by these personnel. Naturally the member of the R.C.M.P. felt that his compensation appeared pretty small compared with the wages being paid those Americans who were going north. I think we should not have any regulations—

Mr. MITCHELL: Where were those Americans working?

Mr. NICHOLSON: In the far north.

Mr. MITCHELL: Whereabouts?

Mr. NICHOLSON: In the Hudson bay area, one of the establishments about 500 miles north of Churchill.

Mr. MITCHELL: Where my hon. friend comes from.

Mr. NICHOLSON: I never received quite so much for living in the north country. But we should not have any regulation saying that members of the staff should wait for five years, three years or two years before marrying. If they are accepted into the force it should be established that anywhere the union jack flies citizens of this country should be permitted to marry.

I believe that in the past the Minister of Justice may have had some trouble in obtaining adequate budgets to meet the requirements of this work. But the minister had so much experience as Minister of Finance that I believe he will agree there should not be any insurmountable barrier in getting an adequate budget so that all the people who work under his administration may have an annual income adequate to support a family, if necessary. I do not think we should take the position that police officers who go up to Baffin Land, Coronation Gulf or Aklavik should be singled out as being barred from marriage.

Mr. MITCHELL: Or from Regina.

Mr. NICHOLSON: Anywhere in Canada. I believe a member of the staff should be permitted to marry.

Mr. MACKENZIE: Hear, hear.

Mr. NICHOLSON: I should like to see the minister agree with his genial colleague the Minister of Veterans Affairs who, I am pleased to say, supports me in my argument. I believe this whole question should be considered. We should not have regulations which interfere with the personal liberties of the subject.

Mr. GREEN: Is the war duties pay taken into consideration in arriving at a pension? If so, on what basis, and as of what date?

Mr. ILSLEY: Yes, it is. It is regarded as part of the pay. Then the hon. member asks as of what date. The pay was consolidated in October, 1946; and, for pension purposes, a member of the force is regarded as having received the consolidated pay even for the prior period back to 1942. But if he were pensioned prior to October 1, 1946, and pensioned on a lower basis, the pay not then having been consolidated, his higher pension dates only from October, 1946.

Mr. GREEN: Is that quite fair?

Mr. ILSLEY: I believe it is.

Mr. GREEN: I have been told by men who have retired from the force that if they retired before October 1, 1946, their war duties pay was not taken into consideration, although they had been drawing war duties pay for several years before retiring.

Mr. ILSLEY: It is taken into account for the pension they received from October, 1946, on, because October, 1946, was when it was consolidated.

Mr. GREEN: But in respect of a man who retired on September 1, 1946, is the war duties pay taken into consideration?

Mr. ILSLEY: Yes. His September instalment of his pension, if there were such a thing, would be on the lower basis. But everything from October 1, on, would be on the higher basis.

Mr. GREEN: A man retires a month before the consolidation of the war duties pay and the ordinary pay. Is his pension based on his pay plus war duties pay?

Mr. ILSLEY: He gets his pension on the basis of pay including war duties pay from October 1, 1946. I am trying to say something accurate, although it is intricate.

Mr. GREEN: It sounds intricate to me. Could the minister explain it a little more fully?

Mr. ILSLEY: Does the hon. member understand what I am trying to say?

Mr. GREEN: No, I do not, unfortunately.

Mr. ILSLEY: Then I shall try to say it again. His pension from October 1, 1946, on, is based upon the higher rate of pay, regardless of when he retired.

Mr. GREEN: I see.

Mr. ILSLEY: But the pension he received prior to October 1, 1946, is on the lower rate of pay.

Mr. GREEN: Thank you.

[Mr. Green.]

Mr. BROOKS: As we know, many soldiers married overseas. Most of the wives have come out to Canada with the soldiers, but many of them have remained in England. Soldiers deserted their wives or, for some reason or another the wives did not get to Canada. I understand that the English law now provides for divorce for any woman in England who has been deserted by a Canadian, an American, an Australian or the member of any other force. My point is that we have many of these young returned soldiers in Canada whose wives are divorced from them in England. I understand that the English law does not apply in Canada, and that these men are left in a position where they cannot marry again. Then there are the soldiers whose wives will not come out to Canada. I know of a young man in my home town who came back to Canada, bought a site and built a house, but his wife would not come to this country.

This matter may not sound important. I know that we in Canada are averse to weakening our divorce laws. But this is a matter which the Canadian Legion is now considering, and it is being considered by other organizations throughout the country. There are many hundreds of these men. Has the minister's department given consideration to this matter? Has it been taken up with the provinces? I know our divorce laws and regulations are very indefinite on the point, and perhaps nothing could be done unless there had been consultation with the provinces. The matter is not as simple as some of my hon. friends may think. It is a serious matter for these young men who are compelled to live in this country a life of single blessedness, like the Minister of Veterans Affairs.

Mr. MACKENZIE: Leave me out of this.

Mr. ILSLEY: I submit that the question is not even remotely related to the item.

Mr. BROOKS: I was out of the house when the department was called.

Mr. ILSLEY: We are discussing the general administration of the Royal Canadian Mounted Police.

Mr. BROOKS: I thought it was the general item of the Department of Justice. If the minister does not care to answer at this time, I shall be content.

Mr. ILSLEY: I think I had better not.

Item agreed to.

359. Land services—arising out of the Royal Canadian Mounted Police Act, enforcement of federal statutes generally, and other incidental expenses, $8,594,482.44.

Mr. DIEFENBAKER: This item deals with general police work. A reading of the commissioner's report would indicate that, even since the war, espionage is an ever-present factor and that our vigilance in this particular respect cannot be allowed to relax. He points out the necessity for keeping constant watch, and in support of that cites the espionage inquiry. We have not heard much about the activities of the mounted police in connection with that inquiry. Would the minister be prepared to advise the committee as to whether a section of the mounted police is devoted to looking into espionage activities? Within the last few days one of the outstanding newsmen in this dominion wrote an article which appeared in the Montreal *Herald* of Friday, June 27. This reads:

Hitherto untold secrets of the great spy round-up now reveal that the police wanted to arrest hundreds, not just the two dozen they finally tossed into barracks.

Mr. MITCHELL: Who is that written by?

Mr. DIEFENBAKER: Harold Dingman in Ottawa.

But today it can be revealed that the R.C.M.P. pleaded with the Minister of Justice—and the cabinet—to let them jail up to 300 people suspected of being active red agents.

To what degree is that statement correct? Are any of those who were in the list of suspects still subject to investigation?

Mr. ILSLEY: Neither of the two statements read by the hon. gentleman is true in any degree whatsoever.

Mr. DIEFENBAKER: The minister says there is no foundation?

Mr. ILSLEY: No foundation for the statement and I do not know how it came to be written.

Item agreed to.

Demobilization and reconversion—

580. To provide for increased activities of the force, $1,864,142.

Mr. DIEFENBAKER: There is a reduction in the main Royal Canadian Mounted Police estimate, and yet here we have an item providing for increased activities of the force. What other services are to be rendered? What is the nature of the increased activities to which reference is made in this item?

Mr. ILSLEY: During the latter years of the war the estimates of the R.C.M.P. were carried under two headings, the ordinary estimates and the war appropriation estimates. In the fall of 1945, the war appropriation estimates were carried into the demobilization and reconversion estimates and eventually they will all have to be consolidated. The demobilization and reconversion estimate for this year is $735,586 less than that of 1946-47. There is an increase in salaries of $63,207 to meet pay adjustments by way of annual increases and also the consolidation of the cost of living bonus in the basic pay. In other pay list items there is a decrease of $79,551 which is caused through the transfer to the item of salaries and to meet the consolidation of the cost of living bonus in the basic salaries. The other objects or activities under this vote have been subject to reduction, and it is assumed that it will not be necessary to explain separately by objects. Reductions have taken place both in the strength of personnel employed and in other general operating expenses. The force is not now required for as many increased activities under demobilization and reconversion.

I questioned the officials of the R.C.M.P. as to the principle under which they carried part of their estimates under demobilization and reconversion and part under the ordinary estimates. I found that some of the divisions of expenses were what I would call arbitrary or a matter of judgment. There are quite a lot of special acitivities being carried on and details of these will be found on pages 104 and 105 of the R.C.M.P. report. Hon. members will find there a list of the war measures and regulations which still call for the services of the R.C.M.P. These include the foreign exchange control order, the wartime prices and trade board order and various others. That is why a certain number of staff have been carried under this vote instead of under the regular vote of the department. As I say, there is a reduction of $735,586 in this vote and eventually it will have to be merged.

Mr. FRASER: The wartime prices and trade board have their own inspectors. Do the mounted police carry out the arrests?

Mr. ILSLEY: A great many investigations are carried on by the R.C.M.P.

Mr. HACKETT: Does the minister mean that the number in the force may be reduced?

Mr. ILSLEY: I do not anticipate it will be reduced; I think they will all be required for regular duties even when the war control orders no longer make any demands upon the force.

Mr. McLURE: I notice in the details of services on page 215 of the estimates, the same item that appears in the details of services for other departments. Is there any

explanation for the item of $65,122 for temporary assistance?

Mr. ILSLEY: I do not see any $65,000 item.

Mr. McLURE: There is one item of $8,877 and another of $56,245 for temporary assistance.

Mr. ILSLEY: There are permanents and temporaries. A lot of the civilian staff working for the R.C.M.P. are temporaries and are carried under temporary assistance.

Item agreed to.

DEPARTMENT OF JUSTICE

95. Departmental administration, $224,092.

Mr. BROOKS: Might I have some comment from the minister on the question I asked a few moments ago with reference to divorce?

Mr. ILSLEY: I think I would have to say that we have not given much consideration to changing the divorce law of Canada.

Mr. BROOKS: Have any representations been made on this question by returned soldiers organizations?

Mr. ILSLEY: Yes, I forget which bodies, but some communications have come to me asking that consideration be given to that question. I have not placed it before the cabinet or taken any steps in regard to it.

Mr. LOCKHART: The minister is aware that there are many of these cases. I could cite twelve of them myself.

Mr. BROOKS: And great hardship is being worked too.

Mr. MUTCH: I should like to ask a question about veterans who married overseas and whose wives divorced them in accordance with English law, but who are still recognized as being married in this country. Are they debarred from seeking employment which is reserved for single men?

Mr. ILSLEY: I am afraid the hon. gentleman is taking me into a field with which I am not acquainted at all. To what sort of employment reserved for single men does he refer? Government service or private service?

Mr. MUTCH: It might apply in both. It could apply in the Royal Canadian Mounted Police, or in a bank or other institution. Is it possible to afford them any protection in the matter of qualifying to make a living without Canada recognizing the English divorce?

[Mr. McLure.]

Mr. ILSLEY: I shall simply have to give consideration to the question. It is not one I could answer offhand.

Item agreed to.

100. Supreme Court of Canada—administration, $92,283.

101. Exchequer Court of Canada—administration, $75,115.

Mr. LOCKHART: Might I ask if any Canadian judges who are retired on pension are living in other countries?

Mr. ILSLEY: It does not matter where they live. Living outside Canada does not affect the amount of their pension.

Mr. LOCKHART: They can draw their money anywhere?

Mr. ILSLEY: They get the same number of Canadian dollars.

Mr. McMASTER: The rules of the Supreme Court of Canada require that all appeals made to that court be printed. The cost of printing is heavy. In many cases it amounts to a denial of the right of appeal to a poor man. With the different methods we have of duplicating copies today, I think this rule should be changed. The Supreme Court of Canada no doubt makes its own rules; but, after all, we pay the money for administration, and I am satisfied that if the minister would bring this matter to the attention of the court something would be done to remedy what I consider a great injustice. In my own experience my client has been prevented from making an appeal to the Supreme Court of Canada by the heavy cost of printing. It varies with each case. A small case might involve a long trial, much evidence and many exhibits. It is a matter that should receive attention.

Mr. ILSLEY: I am quite willing to bring the hon. gentleman's representations to the attention of the chief justice. I do not know any other step I could take.

Mr. BROOKS: How many admiralty judges are there in Canada, and how many cases have been heard by each during the past year?

Mr. ILSLEY: There are seven, one in British Columbia, one in Ontario, two in Quebec and three in the maritimes.

Mr. BROOKS: How many cases have they tried in the past year?

Mr. ILSLEY: I could look that up.

Mr. BROOKS: My information is that some of them have not had a case in the last

ten years. I do not know whether that is correct or not. That is why I asked the question.

Mr. ILSLEY: I do not know about that.

Mr. DIEFENBAKER: I want to join with members of the bar everywhere in this country who commend the minister since he has become Minister of Justice for having appointed to the Supreme Court of Canada a judge of a different political persuasion from that of the government in power. It was a novel departure from the ordinary practice and one which, if followed, would, I think, lead to a great improvement in the judiciary of this country. In the United States the government in power endeavours to choose so far as possible the best men available. While some interpret the best man as meaning the best man within one's own party, the attitude taken in Washington is that at least one-quarter of the appointments could be made from outside the political party in power without impairing the efficiency of the judiciary.

I should now like to ask a number of questions in regard to the judges. Is it intended to continue the practice that became somewhat widespread during the war whereby certain judges, while remaining judges, took up positions in the public service of the country? I realize that during war time that could be understood. I wish to ask this question specifically. Some months ago the appointment was made to the ambassadorship in China of a judge of the court of appeal of Saskatchewan, the Hon. Mr. Justice T. C. Davis. He has not sat on the court of appeal since his appointment in 1939, which could be understood during the war, and recently he has been appointed to an ambassadorship. I would ask the minister whether or not Mr. Justice Davis has resigned as a judge, having been appointed to the diplomatic service.

I would also ask the minister what is being done with regard to the retirement of some of the elderly judges in our country. True, there are exceptions. Mr. Justice Avery in Great Britain has often been pointed out as an exception to the rule, but from time to time ministers of justice have endeavoured to arrive at some plan whereby retirement could be arranged for all judges over seventy-five years of age. The general scheme in that connection is to provide that at that age the pension shall equal the salary as judge, thereby removing any inducement on the part of the incumbent to remain in his position.

How many judges are there in the superior courts of the country over seventy-five years of age? We had the figure last year, and I believe they have been increased during the last year.

The third question has to do with the exchequer court. From time to time complaints are received that in this court there is not that celerity, if I may use the expression, in handing down judgments which should characterize the administration of justice. My information is that a considerable number of judgments are two and one-half years overdue. It is one thing to administer justice; it is another thing to administer delay. After all, one of the most important things in the administration of justice is that justice be done and not unnecessarily delayed. I would ask the minister how many judgments are overdue two and one-half years and how many are overdue two years, and what is being done to have these judgments handed down.

I have in mind one particular case, where the judge waited for a couple of years. He was not a judge who took many notes. He forgot the facts. He did not have a list of witnesses, but in time he handed down the judgment and it was a case of deciding whether he would dismiss the action or give judgment for the plaintiff. That is not justice, and that is one of the great dangers about indefinite postponements in handing down judgments. The facts are forgotten and, the facts being forgotten, the judgment may not be in accordance with the facts.

What is being done toward filling vacancies in the district courts of Saskatchewan? With regard to one particular case in my own city, Prince Albert, there has been a vacancy in the district court for the past six months, and it is one of the important judicial districts in Saskatchewan. I am told there are quite a few who are willing to accept appointments, and—

Mr. MACKENZIE: Any of them here?

Mr. DIEFENBAKER: No. There is no danger any more, because there is only one member from Saskatchewan on the government side of the house—

Mr. MACKENZIE: They just appointed a strong Conservative last week from British Columbia to the Supreme Court of Canada, and he is a good man.

Mr. DIEFENBAKER: That is a superior court. Anyway, there is not much chance for members of parliament today, because the government is not anxious to open constituencies.

Mr. MACKENZIE: You did not score that time.

Mr. ILSLEY: If I remember the questions asked by the hon. gentleman, I shall answer them briefly. The first question was as to the policy of the government in availing itself of the service of judges for positions in the public service. It is not the policy to do that save in exceptional circumstances, and it has been done to a very limited degree. There has been no resignation from Mr. Justice Davis.

Mr. DIEFENBAKER: Has he tendered his resignation conditionally?

Mr. ILSLEY: I have no knowledge of any such thing and I feel sure I would have it. I can learn of nothing, conditional or otherwise.

Mr. DIEFENBAKER: The minister's deputy would know.

Mr. ILSLEY: There has been no resignation, conditional or otherwise. Of course it would be impossible to get the number of judges over seventy-five until tomorrow. If I had had notice of the question I could have had the information tonight, but it would take some little time to find out how many there are. I do not know whether the information is of sufficient importance to the hon. gentleman and the committee to justify delay.

Mr. DIEFENBAKER: I am wondering what is being done in order to secure retirement by the indirect route I suggest.

Mr. ILSLEY: The method suggested by the hon. gentleman was pretty objectionable, I thought, and that was to make the pension equal to the salary. I do not like the sound of that or the content of it either. I do not think people should be paid just as high a pension as their salary. That might get them to leave and it might not.

Mr. DIEFENBAKER: You can not do it statutorily.

Mr. ILSLEY: No. The British North America Act precludes us from doing it, and I have no particular plans for making any change in the situation. I think that the principle of the Supreme Court Act is a better one. I suppose there must have been some reason at some time for giving these judges this life tenure or tenure during good behavior. I suppose it was considered a protection of the independence of the judiciary. It seems to me, however, that it would be desirable if we could enact legislation by which they could retire at seventy-five. We cannot do so, and I do not know that there is anything much we can do about the matter. If we held out a big financial bait to retire, the question is whether the remedy would not be worse than the wrong.

[Mr. Mackenzie.]

Mr. DIEFENBAKER: The minister has rather misinterpreted what I suggested. In 1933, as I remember, a measure was introduced in this house and passed, which provided that at seventy-five years of age the salary of the judge would be reduced to the amount that his pension would have been had he retired. That passed through the House of Commons and was turned down in the other place. I am not suggesting at all the payment of a pension equal to the salary, because in that case there might be some appointed at seventy-four who would then retire at seventy-five, which procedure certainly would be subject to objections.

Mr. ILSLEY: I was not acquainted with that plan. It is ingenious, but it does not sound constitutional to me. I mean, if you can reduce salaries in order to force judges to retire, you can interfere pretty effectively with the rule that they hold office during good behaviour, which is guaranteed under the British North America Act.

Mr. DIEFENBAKER: I think the law officers of the then minister of justice advised that it was constitutional.

Mr. ILSLEY: I do not know. I will look that up. It does not sound so to me.

Mr. NICHOLSON: The problems outlined by the hon. member for Lake Centre are important. Has the department given consideration to reducing the salaries by $1,000 a year, for instance, after judges pass the age of seventy? That would be constitutional, and it might result in getting around the difficulty.

Mr. ILSLEY: I do not think the hon. member is serious about that. Under the British North America Act, judges hold office during good behaviour, which is for life.

Mr. NICHOLSON: We fix the salaries, though.

Mr. ILSLEY: But you could fix the salaries in such a way as to nullify the constitutional provision, I should think.

Mr. NICHOLSON: I would not think so; not after they have passed the age of seventy.

Mr. ILSLEY: I do not think the salaries can be juggled in such a way as to run the judges out in that way any more than they can be dismissed.

Mr. MacINNIS: The hon. member for Lake Centre asked the minister some questions about cases in the exchequer court. The minister did not reply, as far as I was able to hear.

Mr. ILSLEY: That is right.

Mr. MacINNIS: I intended to ask a question in that regard, because I know of one case which has been before the exchequer court now for thirty-seven months. I shall give the minister the particulars of the case, but first I wish to ask him how cases are dealt with in the exchequer court. Are they dealt with in the order of priority in which they come before the court? If not, are priorities arrived at, and who decides which case shall be heard first if they are not heard in the order in which they come before the court?

In the case of the property of persons of Japanese origin who were evacuated from the Pacific coast in 1942, there were three petitions of right instituted in the exchequer court in July, 1943. Permission to proceed was not obtained from the government until the following October, and a defence was not filed by the government until the following February. Therefore, as will be seen, these cases have really been in the courts for four years. Arrangements were then made to have the cases argued on the points of law involved, and this argument was heard at Ottawa by Hon. Mr. Justice Thorson, president of the exchequer court, on May 29 and 30, 1944, when decision was reserved. I have a letter from the solicitors for the applicants, as I imagine they would be called in this case, which is March 1946. They say, "It is therefore almost two years that we have been waiting for a decision." I am wondering why a decision has not been given in those cases.

During the last few years I have heard a great deal in this house about the glories of the rule of law. If our law does not provide justice to our citizens without regard to their nationality or origin, I insist that it is not law; at least it is not law as I understand the use of the term. What I wish to know is whether there are cases which came before the exchequer court since these cases came before it, and in which judgments have been rendered. I should like to have some information on this matter.

Mr. ILSLEY: The cases are not necessarily decided in the order in which they are begun; that is, a case may be initiated in 1944, and no decision given until 1946, while in the meantime cases which were initiated in 1945 may result in decisions in 1945. I do not know that much more can be said about the matter than that. Much would depend upon the difficulty of the case, its importance and how long it took to deal with it. Of course something would depend upon the judge; there is no doubt about that. Some judges are slower than others. Perhaps some judges take more pains than others. At any rate, some judges have a reputation for being more prompt with their decisions than others. The number of cases in arrears before the Exchequer Court of Canada has been made the subject of questions in the house this session, and returns have been tabled showing the number outstanding. My recollection is that some cases tried in 1944 have not yet been concluded. I should not like to say any more than that I regret that condition of affairs. But just what to do about it I do not know.

Mr. MacINNIS: That, I submit, is a most unsatisfactory answer. Last year in this house we increased the salaries of judges and their pensions when they no longer earned salaries, or at least when they no longer drew salaries. Now we find that the administration of justice, and whether justice is to be delayed—and justice delayed is justice denied—depends wholly on the judge, and that nothing can be done about the matter. If a case comes before the courts, the judge can decide to lay it by, not to do anything about it, but to go on and deal with other cases. Surely that is not justice. It may be law, but it is certainly not justice.

I insist that here are people who appealed to the Canadian courts. They engaged respectable solicitors who conducted their appeal in the ordinary manner. Now, three years and one month after that case came before the court, it is still there, undecided. These people do not know where they stand. I just tell the minister that if the answer he gave me tonight is the only one he can give, there is certainly something wrong with our administration of justice.

Mr. MACDONNELL (Muskoka-Ontario): I feel very much like the hon. member for Vancouver East. I have a great respect for the judiciary, and I sympathize with the feeling I assume the minister has, because it is a delicate matter, perhaps something which is not done at all, for the representative of justice, as the minister is, to say anything by way of urging these men to do what I would regard in plain words as their duty. It seems to me fantastic that this situation should exist. But if nothing else can be done it seems to me that there is certainly one thing the minister can do; that is, recognize this situation and draft other judges, if that can be done. I do not suppose there is any magic about the exchequer court, and other judges could be appointed to see that this situation is not perpetuated. I feel earnestly the truth of what has been said by the hon. member for Vancouver East, that this will bring the law

into disrepute and even into contempt, because I believe what my hon. friend has said about justice delayed being justice denied.

Mr. ILSLEY: I want to point out that in recent years two additional judges have been added to the Exchequer Court of Canada.

Mr. MACDONNELL (Muskoka-Ontario): Within what period?

Mr. ILSLEY: Within two or three years.

Mr. MACDONNELL (Muskoka-Ontario): Then I think it would be relevant to ask whether there is much sign that the situation is improving since the addition of those judges and, if not, whether others should be added. At any rate, I feel like my hon. friend to the left, that for the minister to say he does not know what can be done about the matter certainly to me is unsatisfactory.

Mr. ILSLEY: The minister may have been a little indiscreet in saying that; but, in addition to the two additional judges who have been appointed, at various times three ad hoc judges have been appointed to help the work of the exchequer court. Still the fact remains that some cases are delayed for long periods. I do not know; there may be special reasons in the cases the hon. gentleman has mentioned, but I do know quite a number of cases are in arrears on the part of one or two of the judges of the exchequer court. That was what I meant by saying I just do not know what to do about the matter.

Mr. MACDONNELL (Muskoka-Ontario): Then I ask this further question with some hesitation and perhaps I should almost say with some deference, because I am not very familiar with the procedure in matters of this kind; but would it be going too far to say there should be almost a practice followed that, if judgments fall in arrears beyond a certain point, further judges should be appointed? From the point of view of a layman, a sort of reformed lawyer like myself, the present situation does seem fantastic.

Mr. ILSLEY: That is not always the remedy. There have been and probably are instances in Canada where judgments have been in arrears for several years, and where it is well known that the court is large enough, so that the mere appointment of more judges would not be the remedy at all.

Mr. McMASTER: In some cases the reason for delay is the temperament of the judge, who wants to arrive at the truth and probably finds it difficult to make up his mind. That has occurred in every court in every province of this country. In Ontario many years ago they amended the judicature act to provide that if a reserved judgment were not given within six months either party could apply for a new trial. Perhaps such a provision should be included in this act. I suppose it would require an amendment to the Exchequer Court Act, and perhaps the same thing should be done to the Supreme Court Act, but of course the difficulty with the exchequer court is that a single judge hears the case. I think such an amendment ought to be brought in by the minister. It would be helpful to the judge concerned if he knew he had to render judgment within a certain period. I remember a judge of the supreme court in Ontario who saw both sides of a case so clearly that he experienced great difficulty in coming to a decision. That judge was later appointed to the court of appeal, where he was a very fine and efficient judge.

Mr. FLEMING: The minister said a moment ago there might be special circumstances in the case referred to by the hon. member for Vancouver East. I want to say that I do not think any special circumstances can justify the withholding of a judgment in the exchequer court or any other court for a period of three years. The case referred to by the hon. member is not unusual; others of us have had cases standing there for long periods of time. I am now awaiting judgment in a case where I appeared as counsel over two and a half years ago. A situation like this is a reproach to the Canadian judicial system. The minister says it may be attributable to the fact that there are not enough judges. Well, I do not know, but the fact of the matter is that the addiion of two judges to that court in recent years does not appear to have appreciably reduced the backlog of cases. But if that backlog is not attributable to the dearth of judges in that court, then I think the minister himself must admit some responsibility for keeping in touch with the situation there and urging upon the judges that some strong effort be made to reduce that backlog, particularly the cases that have been standing longest.

It cannot be viewed with anything short of great regret, to put it mildly, that litigants should be compelled to wait for such long periods of time. The rights of people are hanging in the balance. They go to the court to have those rights settled, and then those rights are left in suspense for these long periods. It cannot be said that our courts are offering justice when they hold cases for so long.

Probably the exchequer court is the most glaring example we have in Canada today in

this regard, but it is not the only court in which a situation of this kind has arisen. My colleague from High Park referred to the situation that existed in connection with one supreme court judge in Ontario. I recall a county court judge who became notorious for letting his judgments stand. He died some years ago with one case still undecided in which I had been awaiting judgment for no less than five years. I submit that situations of that kind cannot be permitted to continue. I appreciate the delicacy of the position in which the executive branch of the government finds itself in a situation of this kind; but it is so important that justice should be prompt, so important that there should not be these long delays in determining the rights of litigants who have gone to the court for a decision on their rights, that I submit the minister should approach a situation of this kind and deal with it. If there are not enough judges to cope with this big backlog, to reduce it and take care of the current cases within a reasonable time of their hearing, then I think the minister will have to address himself to that problem. Whatever the reason, whether it be shortage of judges or something else, I suggest that the remedy lies in the hands of the minister. If there is another reason I urge that the minister assume some responsibility, because I submit that the public is entitled to look to the Department of Justice for help.

Mr. McLURE: On this item I want to draw the attention of the minister to the same question I raised on the previous item. The vote in this instance for the Department of Justice is $5,542,289, and one-fifth of that amount is for temporary assistance.

The DEPUTY CHAIRMAN: Order. This is an item of $71,115 for administration.

Mr. McLURE: This comes under administration. Surely there must be some explanation and some break-down for an amount that is one-fifth of the total. I refer to the amounts given at pages 119 and 125 in the details.

Mr. ILSLEY: Is the hon. member speaking about item 101?

Mr. McLURE: The administration item.

Mr. ILSLEY: And the hon. member has referred to details at page 120, is that correct?

Mr. McLURE: Yes.

Mr. ILSLEY: And to the item of $18,102 for temporary assistance?

Mr. McLURE: Yes. And then at page 125 there is an item of $889,350.

Mr. ILSLEY: Then what item is the hon. member discussing?

Mr. McLURE: I am discussing the vote for the Department of Justice in the amount of $5,542,289. Through these different votes we find amounts aggregating one-fifth of this total for temporary assistance. I can find no break-down of it.

Mr. ILSLEY: It is all broken down. The hon. member must have added up a great number of items. Where does he get his figure of $1,000,000?

Mr. McLURE: By adding together the figures for temporary assistance.

The DEPUTY CHAIRMAN: Item 101 is for administration, in the sum of $71,115 only.

Mr. GREEN: I understand that the hon. member is questioning the amount for temporary assistance, and I believe his question is in order. He is complaining that the temporary assistance amounts constitute such a large percentage of the total vote for the Department of Justice.

Mr. ILSLEY: What is wrong with having a large proportion of temporary employees?

Mr. McLURE: It is surprising to find that the amounts for temporary assistance amount to one-fifth of the total vote for the department. I should like to have a break-down of those amounts.

Mr. ILSLEY: I will take the hon. member's word that the amount is $1,000,000. I can think of only one way in which he could have obtained that amount, and that is by working out the items for temporary assistance as they are given in the details. Is that the way he obtained it?

Mr. McLURE: At page 119 we find $54,999; page 119, $11,005; page 120, $18,102; page 121, $12,339; page 123, $31,113; page 124, $42,225; page 125, under the penitentiaries branch, $889,350, making a total of $1,069,133.

Mr. ILSLEY: That is exactly the way I thought the hon. member had got the figure. With respect to which of those items does he want particulars? I believe I have them here. It would be most tiresome, but if necessary I could read them. There will be amounts for so many stenographers, so many typists, so many clerks, so many penitentiary guards, so many wardens, so many this, that and the other thing, provided that they are temporary. That is the way in which these items are made up. I have the break-down here; there is a considerable degree of it given in the details. But if the hon. member will mention one item—not the whole lot of them—I will give him the

particulars. I do not see what he is suspicious about, though, because naturally penitentiaries cannot be run without help. Some of this would be temporary help.

Items 100 and 101 agreed to.

102. Yukon territorial court—administration, $5,040.

Mr. FRASER: The minister referred to wardens; are they on the list?

Mr. BENTLEY: If we are still on item 102—

Mr. FRASER: I have asked a question about what was said by the minister.

The DEPUTY CHAIRMAN: The hon. member for Swift Current has the floor.

Mr. BENTLEY: If we are still on item 102—and I cannot see any other place in here to ask the question—I shall make some observations. So I hope if this is not the right place I shall be permitted to proceed, anyway, because there is no other place.

I should like to refer to another court which was established in this country early last year, namely the Taschereau commission, which did a lot of investigational work, and made decisions like a court. Arising out of some of their charges, there were other court cases, where people were tried for espionage activities.

Mr. HARTT: That was no court.

Mr. BENTLEY: They were tried in other courts.

Mr. HARTT: It was no court. You were right when you said the question did not belong here.

Mr. BENTLEY: The hon. member can make any observations he wants, after I have finished.

Mr. HARTT: I am making them.

The DEPUTY CHAIRMAN: Order. We are dealing with item 102, an amount of $5,040 to be granted to His Majesty for administration in the Yukon territorial court.

Some hon. MEMBERS: Carried.

Mr. BENTLEY: No; item 102 deals with the administration of other courts. It refers to judges' salaries. I do not know where this question would come.

Mr. HARTT: Whose fault is that?

Mr. BENTLEY: I want to ask it, and I should be able to ask it. It will not hurt anybody to have the question asked.

The DEPUTY CHAIRMAN: Go ahead.

[Mr. Ilsley.]

Mr. BENTLEY: Thank you. If I can do so without too much interruption it will not take long. I should like to ask the minister if ten people who have been acquitted of any guilt in connection with espionage trials will be reimbursed for their legal expenses. The reason I ask is that when a person is charged with a serious offence like that it does damage to his character, and probably costs a lot of money besides.

I am not pleading for those who are guilty; but those who have been found not guilty should be reimbursed for the expenses to which they have been put because of charges the crown placed against them. The minister may not wish to answer now; in fact I would prefer his giving consideration to the matter rather than giving a final no at this time.

Mr. ILSLEY: I am at a loss to understand why a line should be drawn between certain persons who are acquitted and the great body of persons who are acquitted in criminal trials.

Mr. NICHOLSON: In view of these persons having their names spread across the country by a royal commission, they are in a different category from other persons brought up in courts. The hon. member for Swift Current has a real argument there.

Mr. MACKENZIE: No, none at all.

Mr. MACDONNELL (Muskoka-Ontario): I have a question to ask on this item. Mention was made a few moments ago of a court in which there seemed to be too few judges. I wish to refer to another case where there would seem to be too many. I happened to be in Halifax the other day, and a legal friend of mine raised the question as to delay, if I understood correctly, of some two years in appointing a successor to a judge who had died there. The same person raised this point. He pointed out the great extent to which judges had been on special duty in the last couple of years. For that reason and also because the vacancy had existed for at least two years, the question was raised whether the actual establishment of judges in Nova Scotia was too large and whether it should not be reduced by legislation if the judges were not needed.

Mr. ILSLEY: I will consider my hon. friend's representations. I would point out that in various courts in Canada at times vacancies have existed which have run into longer periods than that. Sometimes they should have been filled before they were, and at other times they were apparently filled soon enough, even though the vacancy had existed for some time. The two judges who were

absent from Nova Scotia for part of the time during the war are back there now, and the same thing applies to judges in other provinces.

The government tries to see that the convenience of the people is not prejudiced and that the business of the country does not suffer. Sometimes it is possible to allow vacancies to run for quite a long time without there being any apparent inconvenience.

Mr. ISNOR: Is it not a fact that it was because of their outstanding ability that Mr. Justice W. F. Carroll was appointed and served in such an able manner on the coal commission and that Mr. Justice M. B. Archibald was appointed to serve as chairman of the national war labour board, and that thus the situation complained of by the hon. member was created?

Mr. MACDONNELL (Muskoka-Ontario): I was not complaining; I was just asking.

Mr. ILSLEY: Both those gentlemen are judges of exceptional ability.

Mr. DIEFENBAKER: I should like to ask the minister about a vacancy in Prince Albert which has been in existence for six months. The situation there is serious. A judge comes up from Humboldt from time to time, but it is not fair to him. It is difficult for solicitors to carry on, and I should like to know what is to be done about that appointment?

Mr. ILSLEY: I do not know what will be done about the appointment. If the hon. gentleman says that there is some inconvenience to the public I shall look into the situation, but I say again that often vacancies can last quite a little while in some provinces and in some courts without there being any real inconvenience to the public. It depends upon quite a number of circumstances.

Mr. DIEFENBAKER: That answer does not mean anything. I know there are difficulties when there are different claimants, each of whom believes he is entitled to the appointment. Prince Albert is one of the oldest judicial districts in western Canada and one of the most important in Saskatchewan, but it is almost impossible for solicitors to carry on. Never has there been a vacancy extending beyond a month at any time before and the reason is the importance of Prince Albert as a judicial centre. It is not fair to litigants and to members of the bar that the present situation should continue because of the difficulties created by rival claimants for the position.

The CHAIRMAN: I feel I should direct the attention of the committee to the fact that we are discussing vote 102 which deals with the Yukon Territory.

Some hon. MEMBERS: No.

The CHAIRMAN: Either I have not the right vote or the committee has not the right vote.

Mr. DIEFENBAKER: Item 102 deals with administration, other courts.

Mr. TIMMINS: Has the minister had any conversations or correspondence with Ontario relative to increasing the number of county court judges and enlarging their jurisdiction in order that they may deal with divorce cases? This is particularly necessary in some of the urban centres of Ontario. There have been as many as 1,500 divorce actions on the supreme court lists at Toronto, and five special judges have been appointed in July to take care of the divorce actions pending in the supreme court, although July is generally a vacation month.

Mr. ILSLEY: There has been no correspondence with the government of Ontario with reference to the increase in the number of county court judges in that province or with reference to conferring divorce jurisdiction upon county court judges. If the hon. member is making that as a suggestion I would be prepared to give it consideration. I do not know whether it would be practical, but the suggestion comes to me with the force of a new idea.

Item agreed to.

104. Combines investigation branch, $120,775.

Mr. DIEFENBAKER: Can the minister advise the committee how many prosecutions took place during the past year against alleged combines or monopolies, and also whether any proceedings were started on the part of private individuals under the amendments to the act which were passed last year?

Mr. ILSLEY: The hon. member for Kamloops asked a question to be found in *Votes and Proceedings* of March 19, 1947. He asked how many informations had been laid and how many prosecutions had been launched under the Combines Investigation Act since the coming into effect of the amendments to that act which were passed at the last session of parliament. The answer was that the Department of Justice had no knowledge of any informations having been laid by private individuals or by the attorney general of any province and, next, that none had been laid by the Attorney General of Canada.

Mr. KNOWLES: Have there been any complaints to the government with regard to newsprint, and have any inquiries been made as to possible infractions of the Combines Investigation Act in that field? Has the government asked the combines investigation branch to look into the matter and, if so, has a report been made?

Mr. ILSLEY: I received a long letter—

Mr. KNOWLES: Would that be from Mr. Percy Bengough, president of the Trades and Labour Congress of Canada?

Mr. ILSLEY: I think that is the one, and I think it is the only one if I remember correctly, although I may have received telegrams from some organizations, which I took to be labour organizations, suggesting that there was some combine in the manufacture of newsprint which was contrary to the Combines Investigation Act. I referred the matter to the commissioner and I received a confidential report from him. No proceedings have been taken by the minister.

Mr. KNOWLES: Can the minister say where we go from here? This matter has been raised in the house on previous occasions and it seems to be a serious one. I noticed my hon. friend the hon. member for Vancouver South a few moments ago reading a copy of a paper from his city, the Vancouver *Sun*, which, I understand, has considerable difficulty in getting sufficient quantities of newsprint to meet its demands. I am also led to believe that a newspaper in Winnipeg which is seeking to get organized and get started has had considerable difficulty in getting any intimation that it can secure newsprint, although it is one of the products that is in pretty high production in Canada at the present time. My own inquiries resulted in my getting hold of certain documents put out by the newsprint people themselves, which indicated that, following the ending of control by the wartime prices and trade board, the newsprint people instituted their own control of the supply of that product. That control, in turn, seems to have these strange effects upon Canadian newspapers seeking newsprint. I know that involved in it is the whole question of export. I have not the figure in my mind at the moment; but it appears to me that a pretty high percentage of our newsprint is exported to the United States. In fact, occasionally you can pick up the comics that are inserted in our Canadian newspapers and find that they have been printed in the United States on newsprint made in Canada. Yet the situation to which I have referred obtains in this country. I know of the letter which Mr. Bengough wrote in connection with this matter and in which he sets out these facts and offers suggestions. I feel that the matter should be pursued by the government with as much expedition as possible.

Mr. HARTT: If the hon. member can prove that the newspaper industry is a trust or monopoly, why does he not register a complaint? He has a right as a citizen to do so.

An hon. MEMBER: He would not get a decision.

Mr. HARTT: The inference is that newsprint is a monopoly. Can the hon. member vouch for that statement? If so, why does he not complain to the courts?

Mr. KNOWLES: The hon. member has corrected himself. He said previously the newspaper business and now he says newsprint. There is quite a difference. Some of the facts to which I have referred are known, namely, the difficulty that certain newspapers have in getting newsprint; and the document to which I have referred is public property, namely, the claim by the newsprint people that they have had to institute their own control to take the place of the control formerly exercised by the wartime prices and trade board. When the newsprint people admit that they have their own control, and the result of that control is that papers like the Vancouver *Sun*, which is no C.C.F. paper by any means, cannot get sufficient quantities of paper to meet the demands from its subscribers and also to meet the demand for advertising space, it does suggest that there is something which should be looked into. I have been careful not to make any allegation or charge. I am stating what appears to some people to be pretty close to the line. The combines investigation branch should look into the matter and we should know something about it.

Item agreed to.

Penitentiaries branch—

105. Branch administration, $153,141.

Mr. DIEFENBAKER: The lack of permanent employees among penitentiary employees has been up before. At one time the employees came within the provisions of the Civil Service Act and could be made permanent, but about 1932 a change was made in the law and all the penitentiary employees were placed in the position of being temporary employees. Now that changes have been made in the administration and General Gibson has investigated the efficiency of the operation of the penitentiaries and knows something of the

ability and standards of the employees, the officials, the guards and wardens, will the minister give consideration to having these officials made permanent under the Civil Service Act? From time to time objections are raised by these employees with regard to this matter. They state that they are in the position of having held over them at all times the threat of being removed without having the precautionary right or the relative rights that they would possess against dismissal if they were permanent employees under the Civil Service Act. Would the minister also let the committee know whether during the past year any of the guards or wardens or officials have been dismissed? If so, how many from each of the penitentiaries, and what rights has an individual employed in a penitentiary to protection against unfair dismissal? Has he any right of appeal? How is that right of appeal exercised? To what extent does the minister have brought to his attention the complaints raised by those who have been dismissed or removed? To what extent are their rights preserved?

Mr. ILSLEY: Retirements in the fiscal year 1946-47 were as follows: resigned, 104; retired, sixty-six; dismissed, thirteen; died, three; transferred, two. That makes 188 in all. The hon. gentleman also asked, Where did the thirteen dismissals take place? Six were from Kingston penitentiary, three from St. Vincent de Paul, two from Manitoba, one from British Columbia and one from Saskatchewan.

Mr. DIEFENBAKER: What were the reasons for their dismissal?

Mr. ILSLEY: The cause of the dismissal is not in the material before me. They were dismissed for cause in every case.

Mr. DIEFENBAKER: What rights have they by way of appeal?

Mr. ILSLEY: They may appeal to the minister. I have asked the officials to find out whether there is such a provision in any act, but they are not just sure. However, that is the practice. It is well known they may appeal to the minister if they wish.

Mr. DIEFENBAKER: Have there been any appeals to the minister?

Mr. ILSLEY: Not to me.

Mr. DIEFENBAKER: Have there been any during the past year?

Mr. ILSLEY: No.

Mr. HACKETT: Possibly the minister has hopes.

Mr. ILSLEY: My hon. friend asked me some other questions.

Mr. DIEFENBAKER: I asked whether consideration would be given to having these officials in the penitentiary become permanent under the Civil Service Act.

Mr. ILSLEY: I will give that matter consideration. The reverse step was taken in 1933. They were taken out from under the Civil Service Act and placed under the wardens, for reasons which appeared at the time to be good and which perhaps still are. I will take the matter up.

Mr. DIEFENBAKER: How many appointments were made to the penitentiary service in the last year?

Mr. ILSLEY: There were 235.

Mr. DIEFENBAKER: How many were ex-service men?

Mr. ILSLEY: There were 200.

Mr. BRYCE: I should like to get some information from the minister regarding the superannuation of officers in the penitentiaries. The thing that worries me is that when they have paid the debt they owe they will still have to keep on paying until they die. I have here three cases which I have worked out. I have the particulars of each of them and I will give the first one. This officer began service with the penitentiary branch in 1921 at Stony Mountain. He elected to come under the superannuation fund in 1944. He found at that time that he was $1,600 in arrears, plus four per cent interest, which amounted to $800 that he had to pay extra. He could not pay this amount in a lump sum, so that he elected to pay for life $17.02 plus current superannuation until he should retire from the service. After having paid for two years, that is, to date, he finds that he still has eleven years to pay before reaching the age of sixty-five. That means he will have to pay $17.02 a month for thirteen years, when he will have paid $2,655.12. He found also that he will have paid more than the original amount, and he still has to pay $17.02 until he dies. At the time he elected to come under the superannuation fund he had served twenty-four years and he stood to gain, through a gratuity of one month's pay for every year he served, or approximately $3,000 which he forfeited by coming under the superannuation fund. He was earning $125 a month at the time. If he stays in the service until he retires at the age of sixty-five he will have served thirty-seven years. He will draw a pension of $123.78, less $17.02, which will

leave him $106.76. He had been earning $2,004 each year for the last ten years. I could give the other cases too; they are similar to this one. They will have paid everything they owe to the government in connection with the superannuation scheme. The first man, if he retires at the age of sixty-five, will pay $17.02 for the other three years, and at the age of sixty-eight he will have paid everything he owed. The other fellow pays $16.42 and he will have paid everything at the age of sixty-eight. Another man pays $23.70 and at the age of sixty-nine he will have paid everything. If these fellows live to the age of eighty they have to keep on paying that money. Can the minister explain why they have to keep on paying that money after they have made good their debt?

Mr. ILSLEY: I cannot explain it offhand, but I suspect the reason is that, should they have died earlier, they would have paid less than the amount that would be sufficient from the point of view of the fund. Is that not the reason?

Mr. BRYCE: I do not think so. I do not know of any other superannuation scheme in connection with the government or any other service where a man, after paying what he is entitled to pay according to the regulations or the fund, has to keep on paying after he is superannuated. I can see the force of one man paying for three years, another for three and another for four, because they were later coming in and had to make up the difference. These fellows paid four per cent compound interest on the arrears of the debt, but when they have paid that they will still have to pay from $17 to $20 a month until the day they die. I am not going to hold up the item any longer if the minister will assure me that he will look into the question. I have these cases typewritten so that there will not be any mistake about the matter, and I can give them to the minister.

Mr. ILSLEY: This is not a separate scheme. It is not like the R.C.M.P. pension scheme we were discussing earlier in the evening, a thing by itself. This is a well known superannuation scheme covering all civil servants, the same as exists everywhere, and it is a generous and just scheme. I feel sure that there must be some explanation and a good explanation of the facts.

Mr. BRYCE: That is what I am trying to find out.

Mr. ILSLEY: The hon. member has sprung it upon me rather suddenly.

[Mr. Bryce.]

Mr. BRYCE: I shall be only too pleased to give the minister time to look into it. He need not give me an answer tonight, so long as he does give me an answer, in order that I may go back to these men and tell them why they have to keep on paying to the end of the chapter.

Mr. HACKETT: The answer is this, is it not, that it is part of the scheme, and if these men were not to pay after superannuation they and others would have to pay before superannuation? I think it is just part of a scheme which is not unknown in other walks and callings.

Mr. ILSLEY: I think so. The hon. gentleman wants some explanation for his correspondents and I will get it from the finance department, who have charge of the superannuation scheme. In fact, they could give it to him if he would go there. They would give him the full particulars. If he wants me to get it for him I shall.

Mr. BRYCE: I shall be pleased. Before anybody else takes my place, may I bring up another matter I referred to last year and that is the housing situation at Stony Mountain. What will they do about the houses that are fifty years overdue there?

Mr. ILSLEY: It is the intention of those administering the system to put up more houses at Stony Mountain as soon as the shortage is alleviated to some extent, but it cannot be done this year because there is a terrific demand for materials for housing all over the country.

Mr. BRYCE: A further question. The housing facilities are not sufficient for the wardens and office staff at Stony Mountain. A great many of them have to stay in Winnipeg. I asked last year whether the department would consider putting a bus in there similar to the provincial government service, taking them out and bringing them back. Has that been considered?

Mr. ILSLEY: I am informed that a number of officers have their own cars and that a bus runs past the penitentiary between Winnipeg and Stonewall and they may use those buses.

Mr. BRYCE: That is correct. There is a bus between Winnipeg and Stonewall that passes there. But it does not pass at the right time. When the wardens are on duty, the bus is going the other way. It is going to the country. When the wardens are going off duty, it is bringing the farmers back to the country. That bus service is really no good for them. I think you would create a group

of contented wardens there if you did supply a bus. I did not press for it during the war; but, now that the war is over I would ask the minister to give this matter further consideration.

Mr. ILSLEY: I shall do that.

Mr. BRYCE: What has been done about the hours of labour? They have repeatedly asked that they get a forty-four hour week. We have other people all over the country asking for a forty-hour week and these people are still working at the old hours; their hours of labour are far from satisfactory, having in mind keeping good men on the job.

Mr. ILSLEY: It is forty-eight hours a week, anyway.

Mr. BRYCE: Is there not any hope of a reduction to at least forty-four hours?

Mr. HOMUTH: The fellows inside have no special hours.

Mr. BRYCE: I never knew that the hon. member had that experience.

Has the department inaugurated any new system in advertising the various positions in the penitentiary service? What I meant by that is this. If you have a good promising man at Kingston, for instance, has he an opportunity of seeing an advertisement of a position in British Columbia, or do you still keep him within the circle of one penitentiary?

Mr. ILSLEY: Normally there is no demand or wish to move from one penitentiary to another. I am informed that occasionally, for some special position, a man is moved; but ordinarily that is not done.

Mr. BRYCE: I think it would be a good thing if thos positions were advertised, so that these men could have that opportunity.

Has the minister ever considered the advisability of setting up a school for penitentiary officers?

Mr. ILSLEY: Yes.

Mr. BRYCE: Is it in operation?

Mr. ILSLEY: No.

Mr. BRYCE: When will it start?

Mr. ILSLEY: Very soon. If the hon. gentleman will refer to the report which I tabled in February, he will see that definite plans are being made for officers, guards and so on, in penitentiaries.

Mr. BRYCE: Are all these people to be included in the civil service after the reorganization?

Mr. ILSLEY: That is the question the hon. member for Lake Centre asked me to consider. They were taken out of the civil service in 1933, and now it is said they ought to be put back in again. I do not know what should be done. I suppose either system would have some advantages.

An hon. MEMBER: In again, out again.

Mr. ILSLEY: It does not follow that whatever is, is wrong.

Mr. KNOWLES: That is a fairly safe assumption.

Mr. BRYCE: I would not say that. With regard to these men who gave service to their country and have returned to their jobs; will the time they served overseas be added to their service for superannuation purposes?

Mr. ILSLEY: Yes. If they were allowed leave of absence, naturally it is.

Mr. BRYCE: That time counts?

Mr. ILSLEY: Yes.

Mr. JAENICKE: I should like to ask the minister to make a statement in connection with the appointments of the two assistant commissioners, who are to be appointed by virtue of the recent amendment to the Penitentiary Act. Have these assistant commissioners been appointed? If not, are they soon to be appointed? When they are appointed or are about to be appointed, will the minister give consideration to their qualifications? I think that at least one should be an alienist, a psychiatrist, or an expert of that kind. I point out that this is especially important in view of the revolutionary amendment to the criminal code which is, I presume, to come before parliament in a few days. Would the minister make a statement in that respect?

Mr. ILSLEY: Two or three times before during this session I have said that it is the government's intention to appoint as one of the deputy commissioners a psychiatrist, or a medical man with some knowledge of psychiatry. I hope we shall be able to get one. There are not many psychiatrists in the country. The qualifications of the other deputy commissioner are set out in General Gibson's report. Our plans are definite about these appointments. I think that was all the hon. gentleman asked me, was it not? He asked me whether appointments had been made. I believe the act received royal assent only on Friday last, and nothing has as yet been done under the act.

Mr. JAENICKE: The minister has not as yet anyone in mind?

Mr. ILSLEY: Yes, we have certain persons in mind, but I do not know whether they will be available.

Mr. FRASER: When the minister was answering a question asked by the hon. member for Queens, he mentioned wardens being on the temporary list. Are some of them not permanent?

Mr. ILSLEY: No; none of the wardens are temporary.

Mr. FRASER: When the minister answered the hon. member's question, he put wardens in with the others. That is the reason I ask the question now.

Mr. ILSLEY: Well, I said something like this, that you cannot run penitentiaries without guards, wardens and so on; and some of your help has to be temporary. I did not intend to say that wardens were.

Mr. FRASER: I just wanted to make sure.

Mr. MACDONNELL (Muskoka-Ontario): I desire to draw the minister's attention to what he said in the house on June 3. As reported at page 3740 of *Hansard,* he said:

> . . . There will be occasions later in the session when these matters can be discussed more properly than they can be on this bill.

I understood at that time that the minister proposed to make a statement beyond anything he has so far made in the house as to his approach to this question. Am I right in thinking that the minister is not proposing to make any statement now?

Mr. ILSLEY: Naturally I have given some thought to whether or not I should make a statement and to just how far I should go. I think I have gone quite a distance already this session. In the first place, we secured this report from General Gibson, and I tabled the report. I said that the government was in accord with the recommendations of that report, at least generally speaking, and would proceed with the carrying out of those recommendations. That was a first step and, in my judgment, a wise and practical step with regard to the penitentiary system. I do not know that I should be expected to go very much farther. That report has a great deal in it. I said that there are some things which I am not in favour of, not in that report, but in certain other reports. I think I have gone about as far as I should go in placing myself or the government on record at this stage.

I listened to the hon. gentleman's speech asking us to proceed and saying there should be a greater note of urgency in what we say about this penitentiary question. I have taken that all to heart; I understand exactly what he means. There has been an immense amount of discussion over the years about our methods. I do not know that it is so, that we are so far behind the rest of the world; and when I hear about a lot of these modern methods I am not sure exactly what is meant. I find that great confusion and great differences of opinion exist as to just what methods should be applied. I have read the Saskatchewan report, which is interesting, but I am not prepared to stand here and make a pronouncement upon penological principles or a statement about the relative advantages of the penological approach and the psychiatric approach, about which there seems to be quite a lot of discussion. We shall set up our commission just as soon as we can, and proceed just as quickly as we can.

Mr. MACDONNELL (Muskoka-Ontario): I am not going to take time to labour this point. I think I fully understand the difficulties the minister has outlined, and I believe I fully understand his unwillingness to step out and make a statement *ex cathedra* about a lot of things until he has had a chance to consider them. But I would make this point, that I believe the people of this country are entitled—obviously not tonight, and I am afraid not this session, but as soon as possible—to much more from the minister than we have ever had. I believe the people of Canada, particularly those who are concerned about this matter, of whom there are many, are entitled to more than merely a report by a commissioner, though I think that report is very good and I believe the commissioner is a good man. The people are looking for something from the minister as to what he believes about this thing, what his aims and objectives are. He has not had much time to prepare that. I am not going to labour the point further now, but I suggest that before too long—I hope it might be early in the next session of this parliament—we may have from him a considered statement as to what his aims and objectives are and what his approach is to this whole question. Up to the present I submit that it has been a rather mechanical matter; we have dealt with this, that and the other point. Now I think we want to know his approach to this question in a broad and philosophic manner.

Mr. HACKETT: Possibly the minister would not object to saying whether the attitude of his department in appointing one commissioner is to be interpreted as abandoning forever some of the main points of the Archambault report. I have understood that this was a beginning, that it does not neces-

sarily mean that the minister or the government is eliminating finally any of the recommendations of the report.

Mr. ILSLEY: That is correct. It does not mean that we are definitely and permanently opposed to those recommendations. I think at the present time the step we are taking is the proper one. I do not believe it is possible at the present time to centralize in the federal authority control of all the prisons in Canada. I do not think it is possible, and I do not think it is desirable. The time may come when it is both, and when that time comes we may have an elaborate organization here at Ottawa; we may have a board and conduct all the parole activities of the country from Ottawa. That may happen, but I am not advocating it at the moment. I agree with the hon. gentleman that when we start in this way it does not mean that we are eliminating the possibility that something else may come in time. It may.

Item agreed to.

Pensions and other benefits—
107. William Tatton, $564.

Mr. McMASTER: With the consent of the committee, I should like to speak for a moment on the question of pensions under the Judges Act, which is a statutory vote. I have taken so little of the time of the house in the past that I feel I might be allowed five minutes to speak about one judge of the supreme court of Ontario. Tonight a certain amount of criticism has been levelled at judges because of the way in which they have performed their work, but the judge of whom I am about to speak was never criticized by any person. Mr. Justice Middleton has the unique distinction of being the only living retired judge of the supreme court of Ontario. There are twenty-three judges on the bench of that court, and perhaps, because there is no retiring age, he is in that position. I have often felt that it would have been a great loss to the province of Ontario if Mr. Justice Middleton had been compelled to retire at the age of seventy-five. He carried on for many years after reaching that age, and when he felt unable to continue to render the best service to the country he voluntarily retired, and has now reached a very advanced age.

I believe many members of the bar intended at some time to offer some testimonial to Judge Middleton, but because of the war and the dislocation following the war this has never been done. So I hope no one will think it presumptuous on my part to say something about him in this parliament of Canada. Mr. Justice Middleton was an outstanding member of the bar in the latter part of the last century. His work at Osgoode Hall, both in practice court, in single court and in the court of appeal, was outstanding. He was appointed to the bench in the first decade of the present century by the then minister of justice, who at the present time is a distinguished member of the other place and who, I think, himself should have some testimonial or something said about the great work he did. The minister of whom I speak, then Mr. A. B. Aylesworth, left a large and lucrative law practice to become minister of justice, and during the time he was in office performed his duties in a way that every minister of justice would do well to emulate, as I believe they have tried to do since.

Immediately after his appointment, Mr. Justice Middleton presided in *nisi prius* cases. He became a trial judge. He had not practised a great deal in such cases before his appointment, but immediately became distinguished and popular because of the way in which he handled the cases which came before him. He was kind and amiable to the litigants and to the counsel who appeared before him, and he earned an enviable reputation because of his judgments. On one occasion an officer of the court told me he complained because so many of his judgments were being overruled; but the obvious answer was, of course, that he tried about three times as many cases as an ordinary judge. Later he was elevated to the court of appeal, and in that position carried on with the same industry and learning he had displayed as a trial judge. Several years ago he voluntarily retired, after a long tenure on the bench. As the hon. member for Rosedale interjects, he was always expert in rules of practice, and his advice while sitting as a judge was sought in many cases by his brother judges. I feel that the bar and people of Ontario would wish that I, on their behalf, should express their appreciation of his service whilst on the bench.

While I am on my feet, I should like to speak about another judge who also occupies a unique position in Ontario as the only living retired judge of the county court of the county of York. In his case, because legislation specified the retiring age of judges of the county courts, he was compelled to retire at the age of seventy-five years, and by his retirement the people of York county lost the services of a judge who could have carried on for many more years. I am referring to Mr. Justice Jackson, who is a great personal friend of mine. And may I add that one of the happiest events of my being in parliament is the being able to express in these inadequate words the appreciation of

the bar of Ontario for the work of these two outstanding members of the justiciary of Ontario.

Item agreed to.

Demobilization and reconversion—

510. To provide for expenses in connection with prize courts, $10,000.

Mr. DIEFENBAKER: To what extent was any action taken by prize courts in the past year?

Mr. ILSLEY: There were no expenditures in 1946 up to September 30. I believe that is the latest information we have. However, some money is expended in some years. These are the expenditures in certain past years:

1940-41	$9,697.74
1941-42	5,757.09
1942-43	nil
1943-44	nil
1944-45	nil
1945-46	5,240.23

The main estimates were prepared at the end of 1946, and there were no expenditures up to September 30 of that year. This is the usual $10,000 vote to cover possible expenditures for 1947-48.

Mr. HACKETT: I believe it was when the Volstead Act was in effect that the department had the greatest amount of work of this kind. In those days ships sailed for Mexico seven times a day from Windsor.

Item agreed to.

DEPARTMENT OF TRANSPORT

402. Departmental administration, $544,000.

Mr. MERRITT: Mr. Chairman, I wish to raise the question of the bringing of merchant seamen who served during the war under veterans benefits. The minister has had representations made to him several times already during the session, so that on this occasion I shall state my case briefly.

The committee will be aware that the merchant seamen who served in Canada's merchant marine during the war received very few of the benefits which were awarded to the veterans of the war. For instance, their benefits in respect of educational training were limited to vocational training, if they were to continue at sea. Their benefits under the Veterans' Land Act were available only to those merchant seamen who had suffered disability during service.

In all those respects the merchant seamen were not treated as veterans. Tonight I am asking the minister to subscribe to the principle that merchant seamen were veterans. I am not saying to him that there should not be differences between the treatment accorded the men who served in the armed forces and those who served as merchant seamen, because the conditions of service were different, and there may be some cases in which there should be slight differences. However, it is my intention to ask the minister to change from the principle under which merchant seamen have some veterans' rights arising from their war services, but with those rights definitely limited, to the principle that they have all rights, less those it is necessary to except in order to bring about fairness and equity among all those who served.

I have seen various figures quoted as to the number who served in the merchant marine during the war. One set of figures shows that there were 1,400 in the merchant marine in 1939. One of my colleagues places the figure at 1,000. My figures indicate further that in 1945 there were 12,000 in the merchant marine. Therefore eighty-eight per cent of those who served during the war were temporary merchant seamen for the duration of the war only, and who had not chosen the sea as their career. If evidence were needed, I believe that is sufficient to indicate that their service was a war service, and their intention in going to sea was to contribute to the war effort.

The minister knows that many of them are young chaps. Some are right out of school, and their normal education was interrupted by their desire to serve their country during the war. May I give one illustration of the nature of the service they performed. A spokesman for the group now attending the university of British Columbia got in touch with me and told me there were eighteen ex-merchant seamen studying at that university. He pointed out how members of the armed forces in much larger numbers were receiving educational benefits, while the ex-merchant seamen had to work their way through university. I asked him how many of the eighteen were actually in a convoy subjected to torpedo attack during the war. He did not know exactly, but found out and telephoned me later to the effect that fifteen of the eighteen had been in convoys which had suffered torpedo attack and in which ships had been lost.

I believe that gives a good indication of the nature of the service performed, and the risks run. The two sets of figures I have given can leave little doubt that this was a war service and should be treated as such.

I have in my hand a statement by one of the officers of the merchant navy veterans

committee at the university of British Columbia which I think will be quite interesting to the committee. He says:

> What good is unemployment insurance, or veterans insurance to student-veterans? So-called benefits to merchant seamen are just so much writing on paper. The only merchant seaman veteran who gets any benefits at all is the chap who wishes to stay at sea as a profession. Seamen-veterans in that category number less than ten per cent.

Although the minister may say that certain educational and vocational training benefits have been given, the number who have taken advantage of them is so small that I cannot believe it constitutes a discharge by the government of its obligations to these seamen. Questions have been raised as to the obligations of these men to serve, and it has been suggested that their obligation was different from that of the armed forces. Perhaps it was for the first two or three years of the war, but these men served and continued to serve. In 1944 the manning pool agreement was signed by most of them. As the minister knows, that agreement contained a definite undertaking to serve for the duration of the war or for two years, whichever was the lesser. At least from that time on, those who signed the manning pool agreement were bound to continue in service, and to all intents and purposes their service was just as binding upon them as was service in the armed forces binding upon its members.

It has been suggested that the rates of pay were more advantageous to merchant seamen than to those of equal rank in the armed forces. I do not find that to be so. It is true that a war risk bonus of $44 a month was given for service at sea, but the basic rate of pay for an ordinary seaman was $84 a month. A radio operator, whose rank I believe corresponded with that of a sub-lieutenant in the navy, received $109 a month. Of course that was subject to income tax. Compared with similar rates of pay in the armed forces and having in mind that the pay of merchant seamen was subject to income tax, I cannot feel—

Mr. CHEVRIER: Income tax was payable only on the basic rate.

Mr. MERRITT: That is so; income tax was payable on the basic rate. I do not think that could do any more than warrant the minister in making some reduction in the reestablishment credits or gratuities or things of that kind. The difference was not sufficient to warrant keeping merchant seamen out of the principle of war service and veterans benefits.

I am concerned lest one of the things that has held the minister and the government back from taking a step which, it seems to me, is all too obvious is administrative difficulty. I looked up the debate on this matter of income tax paid by merchant seamen which took place in the house in 1942, and I find that the Minister of Finance stated frankly, as reported on page 4365 of *Hansard*, that, for administrative reasons, there had been no exemption of merchant seamen from income tax. The administrative reasons he gave were perfectly clear, that these seamen were employed by civilian employers on civilian ships and that it would be difficult to exempt them from income tax.

This matter is so important that we cannot consider administrative difficulties. Administrative difficulties will have to be dealt with by means of an administrative plan and not by excluding these men from a principle which I feel to be sound.

I am not going to argue the matter any longer, nor am I going to try to detail to the minister the additional benefits to which I think merchant seamen are entitled. Those benefits should certainly include educational training on a much wider scale than has been granted. I am simply going to reiterate that we should establish a principle whereby these men would be entitled to be treated as veterans, with possible exceptions from that principle in the extent of the benefits that are granted.

Hon. LIONEL CHEVRIER (Minister of Transport): First of all, let me say that, while the hon. member has made out a good case for the position as he sees it, there is another side with which I am faced and which I think I should place before the committee. One thing must not be forgotten. The men of the merchant navy, while they did a formidable task in the war job, were volunteers. There can be no doubt about that. That certainly was the position which my predecessor took an it is the position in which I find myself.

Mr. GREEN: So were all the navy and the air force and most of the army.

Mr. CHEVRIER: My hon. friend has been interrupting every time I discuss this matter, both on the bill for compensation and now. I have no objection to his interrupting, but I wish he would just hold himself for a moment or two until I put my position on the record. If he has anything to ask I shall be glad to listen to him just as I listened to him when he wanted to discuss workmen's compensation.

It is a fact, whether my hon. friend likes it or not, that they were recruited as civilians.

Mr. GREEN: You said they had volunteered; you did not say they were civilians.

Mr. CHEVRIER: I said they were volunteers, but they were engaged in a civilian capacity.

Mr. GREEN: You did not say that.

Mr. CHEVRIER: I am saying it now. If one listened to all that the hon. member for Vancouver-Burrard said one would think the merchant seamen have received no benefits at all, when in fact they have received quite a number of benefits. I am just wondering if my hon. friend is familiar with them all.

I have to challenge some of the statements he made a moment ago. I did not want to interrupt him at the time. For instance, this is the monthly remuneration to which a merchant seaman was entitled. The basic pay was $47.07 in January, 1942, but that basic rate was increased to $89.93, to which was added a war risk bonus of $44.50, making a total of $134.43 a month. Income tax was paid on the basic rate only. The war risk bonus and the subsistence allowance were exempt. So much for the war risk bonus.

Then there followed two special bonuses, one called the war service bonus and the other the special bonus, each of ten per cent. One of these was paid on gross earnings after a minimum period of six months service in dangerous waters. It was paid to 6,388 merchant seamen, at a cost of $1,800,000. Then there was an additional war service bonus of ten per cent on gross earnings for service subsequent to April 1, 1944, until the end of the war. That was paid to 4,226 seamen, at a cost of $443,700.

There were also a number of provisions by a special order in council which had to do with railway transportation, leave on pay at the end of each year, round-trip rail transportation from a manning pool to the seaman's home at the low cost of one-third of the one-way fare.

Merchant seamen, on agreement, on completion of service were entitled to receive railway transportation from the port of discharge to their place of permanent domicile. If incapacitated from sickness or injury during service on a manning pool two-year agreement, the merchant seamen received basic pay for a maximum period of twelve weeks. There was over $90,000 paid to those who applied under that particular order.

There was also vocational training which was paid to those who wanted to continue the calling of a merchant seaman. I agree with what my hon. friend has said that that does not cover vocational training for a member of the merchant navy outside of his calling. It is directed toward his own calling. That was because the director of merchant seamen was of the opinion that it was his responsibility to make sure that those men got the best possible training, and he asked that vocational training be given to men of that category.

Merchant seamen who left civil employment to serve at sea during the war are entitled to the benefits of the Reinstatement in Civil Employment Act.

Again, pension for disability incurred from enemy action or counteraction is payable to merchant seamen serving on any Canadian ship, and to Canadian merchant seamen serving on ships of allied nations employed in service essential to the prosecution of the war. We went through that at some length in the debate on the bill to amend the Merchant Seamen's Compensation Act.

In case of death from similar causes, widows and dependent children are pensionable.

A Canadian merchant seaman in receipt of a pension from an allied nation is entitled, during residence in Canada, to have his pension raised to the Canadian scale.

Merchant seamen detained by the enemy received a detention allowance, equivalent to their basic pay and war risk bonus, and also the special bonus. Dependents of merchant seamen who were detained by the enemy received appropriate portions of this detention allowance for their maintenance, the remainder being paid to the seaman on his return to Canada.

Unemployment insurance coverage for merchant seamen was passed at the last session and came into effect on October 1, 1946. By a special provision under the act, seafarers have been placed on a parity for unemployment insurance purposes with Canada's wartime armed forces. Under this provision many seamen are given credit for wartime service without payment of contributions after they have become established in insurable employment.

Medical and dental care is extended to pensioners, while men on service are covered by the sick mariners fund and the Merchant Seamen's Compensation Act. They are also entitled to medical service and repatriation when hospitalized in foreign parts.

There are a number of other things to which I might refer; for instance, the manning pools that were set up during the war and the many advantages which merchant seamen got under these manning pools. A man in a manning pool awaiting call or assignment to

a ship was given the opportunity of going out and working in industry, which was not given to members of the armed forces.

There were two training schools set up, one in Nova Scotia and one in Ontario, at Prescott, for the purpose of training engineers and the like.

I could go on. I have an additional list of welfare benefits, clubs that were set up all across this country to assist merchant seamen, and so on. So when it is said that they have received no benefits or benefits that are entirely inadequate, I have to take issue with that statement. That they may be entitled to more; that they have performed wonderful service for Canada—with such a statement I cannot quarrel because that is a fact. While I should like to see perhaps many things done that are not done for the merchant seamen, it is unfortunate to some extent that the merchant navy was not placed in a different category. I am not making any apologies for that. My hon. friends will remember that the subject was discussed last year and again this year on the compensation act, and at that time I think I made the position of the department and the government fairly clear. I hope hon. members do not think the position of the merchant navy and the contribution made by them to the war effort is not realized and not appreciated; it is. When compared with other countries, I think the position in Canada far surpasses that of all other lands.

Mr. MERRITT: The minister has made a brave show of these benefits. I have written them down, and when you examine them you find two startling things. A great number of them such as the manning pool advantages, leave and railway transportation, the detention allowance for merchant seamen who were captured by the enemy—these are all what I would call "in-service" benefits. They are not veterans benefits at all. I do not think the minister can count those when we come to discuss whether these men are receiving veterans benefits. On the other hand, with regard to the other list of benefits he gave, reinstatement in civilian employment, bonuses for disabilities, and medical and dental care for pensioners, those benefits are strictly limited in their application to those who suffered a disability from enemy action, as I understand it, and are not even available to those who suffered disability through the ordinary perils of the sea.

Mr. CHEVRIER: My hon. friend is not omitting the war service bonuses of ten per cent?

Mr. MERRITT: I shall deal with those in a moment. Second, of course, the completion of training benefits is limited to those who want to continue in sea service. When you look at these two sets of benefits as I have put them before the committee they are only a brave show, but not nearly good enough. They do not satisfy me at all that the minister is giving practical recognition to the respect he feels for these men.

The minister mentions the ten per cent bonus. I said, when I spoke before, that I was perfectly prepared to take those things into account as deductions perhaps from the general principle. It may be that you could prove to me that the merchant seamen are not entitled to a reestablishment credit at all. I do not say you could, but you might be able to do so. But that does not help the minister in arguing that these men should not be treated as veterans.

Item stands.

Progress reported.

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

Wednesday, July 2, 1947

The house met at two o'clock.

DOMINION DAY

FURTHER MESSAGES OF GREETINGS AND GOOD WISHES ON THE OCCASION OF THE EIGHTIETH ANNIVERSARY OF CONFEDERATION

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, in reference to the congratulatory messages of which I made mention in the house yesterday, I should like to add that the following message was received during the day from the President of the United States:

> On this national anniversary of Canada it gives me great pleasure to send to you and to the people of Canada the hearty congratulations and renewed good wishes of the people of the United States. I should like to take this occasion again to thank you and the many other Canadians who did so much to give me a most enjoyable visit last month. I cannot express too warmly my sincere friendship for you and for the people of Canada.
>
> Harry S. Truman.

Congratulatory messages were also received from the Acting Minister of Foreign Affairs of Chile, from the Ambassador of Belgium in Ottawa, and from the Consul General of Haiti.

BANKING AND COMMERCE

Ninth report of standing committee on banking and commerce.—Mr. Cleaver.

ARMY BENEVOLENT FUND ACT

ESTABLISHMENT FROM ARMY CANTEEN AND OTHER SERVICE FUNDS—PROVISION FOR BOARD OF ADMINISTRATION

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs, for Mr. Claxton) moved for leave to introduce Bill No. 410, to establish a benevolent fund from army canteen and other service funds.

He said: May I say on behalf of the Minister of National Defence that I should like this bill to be proceeded with. The Minister of National Defence will pilot the bill through the house, along with the hon. member for Rosthern (Mr. Tucker) and the hon. member for Winnipeg South (Mr. Mutch), who was chairman of the committee.

Mr. W. A. TUCKER (Parliamentary Assistant to the Minister of Veterans Affairs): The purpose of this bill is to set up an army benevolent fund from the various canteen funds and to provide for a board to administer it.

Motion agreed to and bill read the first time.

PRIVATE BILLS

SENATE BILLS—FIRST READING

Bill No. 397, for the relief of Edward Charles Barron—Mr. Maybank.

Bill No. 398, for the relief of Violet Eileen Lepine Tickner—Mr. Maybank.

Bill No. 399, for the relief of Jean Lawrence Ritchie—Mr. Maybank.

Bill No. 400, for the relief of Livio Quintino Fantacci—Mr. Maybank.

Bill No. 401, for the relief of Bertha Bercovici Hamer—Mr. Maybank.

Bill No. 402, for the relief of Ann Bogdanof Millichamp—Mr. Maybank.

Bill No. 403, for the relief of Beatrice Elman Perlman—Mr. Maybank.

Bill No. 404, for the relief of Grace Emily Dawes Matheson—Mr. Maybank.

Bill No. 405, for the relief of Gabriel Burszan—Mr. Maybank.

Bill No. 406, for the relief of Doris Phoebe Potter Potts—Mr. Maybank.

Bill No. 407, for the relief of Richard Andrew Frame—Mr. Maybank.

Bill No. 408, for the relief of William Page—Mr. Maybank.

Bill No. 409, for the relief of Louis Gertsman—Mr. Maybank.

[Mr. Mackenzie King.]

QUESTIONS

(Questions answered orally are indicated by an asterisk).

UNEMPLOYMENT INSURANCE—LINCOLN AND WELLAND COUNTIES

Mr. LOCKHART:

1. How many persons in Lincoln county (a) on May 31, 1947; (b) on June 26, 1947, were in receipt of unemployment insurance payments, and how many job vacancies were listed in that county on each of these dates?

2. How many persons in Welland county (a) on May 31, 1947; (b) on June 26, 1947, were in receipt of unemployment insurance payments, and how many job vacancies were listed in the said county on each of the above dates?

Mr. MITCHELL: I have discussed this question with the hon. member for Lincoln. The figures are not taken by counties. We have offices in St. Catharines, Welland, Fort Erie, Niagara Falls, Port Colborne, and he will be satisfied if the return is made on that basis.

AMMONIUM PHOSPHATE AND SUPERPHOSPHATES

Mr. McCULLOUGH (Assiniboia):

1. From what countries and in what quantities has phosphate rock been imported into Canada for each of the years 1939 to 1946 inclusive?

2. How many companies have produced ammonium phosphate and superphosphates in Canada for the years 1939 to 1946, inclusive, and in what quantities for each year?

Mr. MacKINNON:

1. Imports by countries of phosphate rock during the calendar years 1939 to 1946:

Year	French Africa Cwt.	Morocco Cwt.
1939	....	....
1940	....	....
1941	....	....
1942	....	....
1943	....	....
1944	38,116	....
1945	11,781	260,049
1946	....	....

Year	Netherlands West Indies Cwt.	United States Cwt.
1939	....	2,498,006
1940	....	3,317,160
1941	....	4,740,577
1942	....	5,427,455
1943	....	5,216,928
1944	33,600	7,693,215
1945	33,600	6,048,478
1946	134,400	7,339,148

2. Ammonium phosphate in Canada is produced by one company. Superphosphate in Canada is produced by two companies.

Production of ammonium phosphate and superphosphate in Canada during the years 1939 to 1946

Year ended June 30	Ammonium phosphate Tons	Superphosphate Tons
1939	32,845	87,738
1940	44,440	104,520
1941	59,300	127,672
1942	52,730	176,634
1943	76,181	193,422
1944	133,610	199,796
1945	174,761	236,092
1946	195,593	253,397

IMPORTS OF MURIATE OF POTASH

Mr. McCULLOUGH (Assiniboia):

From what countries, in what quantities and at how much per unit in each case has muriate of potash been imported to Canada for the years 1939 to 1946 inclusive?

Mr. MacKINNON:

Imports by countries, of muriate of potash during the calendar years 1939 to 1946

Year	Country	Cwt.	Value
1939	Belgium	30,025	$ 31,454
	France	140,760	143,074
	Germany	51,238	57,349
	United States....	685,799	903,274
1940	France	271,893	336,063
	United States....	811,439	1,049,215
1941	United States....	610,957	835,042
1942	United States....	824,726	1,071,524
1943	United States....	1,040,175	1,336,144
1944	Soviet Union....	4,936	9,178
	United States....	1,316,973	1,648,580
1945	Soviet Union....	91,639	170,654
	United States....	1,312,683	1,595,309
1946	France	100,104	200,208
	Soviet Union....	127,657	236,390
	United States....	1,337,177	1,571,909

UNITED NATIONS—LUCIEN PARIZEAU

Mr. LACOMBE:

1. Is Lucien Parizeau a member of the staff of the united nations?

2. If so, by whom was he recommended for such position?

Mr. ST. LAURENT:

1. According to the "United Nations Handbook" dated October 1946, Mr. Parizeau is a senior editor in the editorial division of the department of conference and general services.

2. No information on the files of the Department of External Affairs.

QUESTIONS PASSED AS ORDERS FOR RETURNS

VETERANS TAXI OWNERS' ASSOCIATION—PRIORITIES FOR CARS

Mr. CASTLEDEN:

Were any applications for priorities for cars granted by any officials of the government to the veterans taxi owners' association of Montreal?

ST. LAWRENCE SHIP CHANNEL—DREDGING AND IMPROVEMENTS

Mr. BLACK (Cumberland):

What have been the total expenditures for dredging and improving the shipping channels and berths on the St. Lawrence river (a) to Montreal; (b) the port of Montreal; (c) Montreal to lake Ontario, before 1900 and from 1900 to 1947?

CUSTOMS PORTS—AIRPORTS AND AIRFIELDS

Mr. WINKLER:

1. How many customs and excise ports are in each Canadian province?

2. How many customs airports and airfields of entry and exit are in each of the Canadian provinces?

3. At what point is each of the latter located?

4. Which in each class have been established since the outbreak of the last war?

5. What is the difference for customs purposes between the terms "airports" and "airfields?"

PRAIRIE FARM REHABILITATION—SOUTH SASKATCHEWAN RIVER PROJECT

Mr. TUCKER:

For a copy of the P.F.R.A. report on the South Saskatchewan river project.

WESTERN PROVINCES

ADJUSTMENT OF INDEBTEDNESS—NATURAL RESOURCES CLAIMS

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

That it is expedient to present a bill to make provision for the refunding and adjustment of the liability of the provinces of Manitoba, Saskatchewan, Alberta and British Columbia to the government of Canada, in respect of loans made to them by the government of Canada to finance expenditures on direct and agricultural relief and other purposes during the nineteen-thirties; and for the final settlement in full of claims of the provinces of Alberta and Saskatchewan against the government of Canada in respect of the administration and control by the said government of natural resources in those provinces before the transfer thereof to the provinces.

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

Motion agreed to.

BRITISH COMMONWEALTH

DESIGNATION OF "DOMINIONS"—REFERENCE TO REPORT IN "DAILY EXPRESS"

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I should like to direct a question to the Prime Minister. The Canadian Press today carries news from London that the *Daily Express* there published yesterday information that the term "dominion" in relation to Canada, Australia, New Zealand and South Africa will be dropped and the term "commonwealth" will be used in its place. The *Express* is reported also to have said that this was done at the request of the dominion governments. My question to the Prime Minister is this: Did this government make such a request, and if such a request was made, when was it made?

Right Hon. W. L. MACKENZIE KING (Prime Minister): In reply to my hon. friend I would say that the government made no such request. I think myself that what the *Express* may have got hold of and wished to report upon was a change that has been made in the title of the office of Secretary of State for Dominion Affairs in London. I understand that this morning Prime Minister Attlee announced in the British House of Commons that the title of Secretary of State for Dominion Affairs would hereafter be changed to Secretary of State for Commonwealth Relations. That of course is a matter which is entirely within the jurisdiction of the British government itself. It may well be that some rumour has got abroad, which is inaccurate so far as it relates to any of the dominions.

Mr. GRAYDON: May I ask whether Canada was consulted in reference to the change of name of the department in the British government?

Mr. MACKENZIE KING: We were informed that the British government intended to make such a change and were asked whether any exception would likely be taken, the reply given was in language similar to that which I have expressed, namely that any change in title of one of its departments of government was a matter for the British government itself to decide. I might add that the change in title is not one to which any objection could be taken here.

Mr. CRUICKSHANK: I wish to direct a question to the Prime Minister. Is there any truth in the rumour that the riding of Peel is to be dropped from the Dominion of Canada?

Mr. MACKENZIE KING: Whom did my hon. friend say?

Mr. GRAYDON: He says no.

SOIL PIPE

SHORTAGE IN TORONTO AREA

On the orders of the day:

Mr. HAROLD W. TIMMINS (Parkdale): May I ask a question of the Minister of Reconstruction and Supply or of the parliamentary assistant? Having regard to the serious shortage of soil pipe in the Toronto area, has the department taken any recent steps to increase production of soil pipe? Has the matter been brought to its attention?

Mr. G. J. McILRAITH (Parliamentary Assistant to the Minister of Reconstruction and Supply): The matter has been receiving active consideration for some time. I would prefer to let the other part of the question stand as notice and answer tomorrow.

EMIGRATION

DEPARTURE OF MENNONITES AND HUTTERITES FOR PARAGUAY

On the orders of the day:

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): One day last week the hon. member for Rosetown-Biggar (Mr. Coldwell) asked the following question to which I promised to obtain a reply. He said that the newspapers of June 26, 1947, contained stories that between 3,500 and 5,000 Mennonites are leaving for Paraguay. He added that:

> . . . the foreshadowed emigration of a large number, some thousands, of Hutterites to the same country . . .

was also foreshadowed. He asked whether I could make a statement regarding these departures, and I promised to get such information as was available in the various departments of government. I have been supplied with the following statement:

In February last an inquiry was made of the passport office by a law firm as to whether group certificates would be available covering the proposed departure from Canada of some 3,000 Mennonites, 1,500 of whom were said to

be adults. It indicated that these persons were intending to proceed to Paraguay for permanent residence. Group certificates not being available, individual applications for passports will be necessary. The individual application for at least one family has been brought to the attention of the passport officer.

We have no information concerning the departure from Canada of a large number of Hutterites.

On May 23, 1947, I made a statement to the house concerning the emigration to Yugoslavia of certain residents of Canada. Statements which I made at that time concerning loss of domicile and citizenship apply to any other persons who propose to leave Canada either singly or in groups. There is no compulsion upon anyone to remain in Canada if he desires to take up permanent residence in another country.

It is regrettable that persons who have for some years lived in Canada should prefer to leave our country, but we find that there are many persons in other countries anxious to come and live in Canada. Furthermore, there may be particular factors inducing people to move elsewhere. Such factors may be an economy more suited to their particular way of life, climate more in accord with their desires, the presence of kinfolk and so forth.

It may be of some interest to mention that there was recently received, through the embassy in Buenos Aires, advice that over 2,300 Mennonites from the Black sea area had arrived in Paraguay, and that the director of Mennonites in that country had approached the British authorities on behalf of a number of the group who, having close relatives here, were desirous of joining them in Canada. The inquiry is being dealt with through the regular immigration channels.

TORONTO HARBOUR

INQUIRY AS TO DAMAGE FROM HIGH WATER AND FLOODS

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to ask a question of the Minister of Public Works. Has the minister received a report from his engineers with regard to the damage on Toronto centre island from high water and floods? Three weeks ago a copy of it was ordered as a return.

Hon. ALPHONSE FOURNIER (Minister of Public Works): Mr. Speaker, I did receive a report from our engineer at Toronto, which reads in part as follows:

The only damage which I was able to observe in any of the structures was a small gap forty feet wide near the west end of the rubble-mound breakwater. Because of the abnormally high water, it is difficult to determine what amount of stone would be necessary to repair this break and it is possible that only the crest of the breakwater has been damaged.

Mr. CHURCH: What about the government breakwater?

MOUNTED POLICE

RECRUITMENT OF PERSONNEL TO ARMED SERVICES

On the orders of the day:

Right Hon. J. L. ILSLEY (Minister of Justice): Mr. Speaker, last night the hon. member for Lake Centre (Mr. Diefenbaker) asked me to lay on the table a copy of a general order referred to in the discussion last night of the estimates for the Department of Justice. It is general order 1073 for the week ended September 30, 1939.

I am now laying on the table the Royal Canadian Mounted Police general orders, part I, issued by the commissioner for the week ended September 30, 1939. The two relevant orders are Nos. 1073 and 1074.

No. 1073 sets out a letter from the then minister of justice to the commissioner, of which the relevant parts are I believe the following:

I fully realize that young men in particular will have a great desire to enlist for overseas service, and while this patriotic spirit is entirely commendable, nevertheless the important duties which I have outlined, when energetically and faithfully carried out, are of no less importance than those which might be performed on active service.

Furthermore it must be obvious to all members of the force that these important duties can only be efficiently performed by a trained personnel, and for these reasons I shall not be able to consent to granting any leave of absence to officers, non-commissioned officers or constables of the force for the purpose of serving in any expeditionary force which may leave Canada on active service, with the possible exception of a representative unit to be recruited from the R.C.M. police. Neither will it be possible to grant discharges from the force to enable non-commissioned officers or men to enlist for overseas service. No discharges by purchase will be authorized until further orders.

In conclusion, I further desire to express my sincere appreciation of the services which have been rendered by the force to the country and the empire in the past, and to ask you to see that my views on this important subject are communicated to all officers, non-commissioned officers and constables.

Ernest Lapointe.

The commissioner in his letter says:

I now enclose copy of general order number 1073 for the week ended September 30, 1939, which is the actual general order in question and which is distributed throughout the length

and breadth of the force for the perusal of every member of the R.C.M. police. Furthermore, it is the duty of each member of the force to be conversant with these instructions.

The other general order to which I referred is number 1074, providing for recruitment and the organization of a unit to be known as 1 Provost Company (R.C.M.P.) Canadian Active Service Force. I am laying this on the table.

Mr. DIEFENBAKER: Is it correct that there is no order or promulgated direction on the part of the commissioner advising the mounted police during the period of the war that if on the termination of their police service they did not re-enlist with the Royal Canadian Mounted Police but went into the armed services, they would be penalized for so doing?

Mr. ILSLEY: The only order of which I have knowledge is the general order I laid on the table. That was the order we were discussing last night, and it is in the terms which I represented it to be.

Mr. DIEFENBAKER: Those were not the terms to which objections were taken.

NEWSPRINT

PRESS REPORT WITH REFERENCE TO COMBINES INQUIRY

On the orders of the day:

Right Hon. J. L. ILSLEY (Minister of Justice): Mr. Speaker, a matter arose during the course of the discussion of the estimates last night of the Department of Justice, which has to do with newsprint. The Montreal *Gazette* of today carries the following heading in reference to the statement I made in the house last night:

Report secret on newsprint—Ilsley says no proceedings taken after combines inquiry.

I am afraid my reference to a "report" from the commissioner of the Combines Investigation Act may have given the erroneous impression that the commissioner had submitted a formal report following an investigation into the newsprint industry. As a matter of fact the comment of the commissioner was contained in a brief memorandum made to me shortly after Mr. Bengough's letter was referred to him in March last. It was pointed out in the memorandum that the shortage of newsprint was worldwide in extent, and that the statements in Mr. Bengough's letter regarding the limited supply of newsprint available to certain Canadian newspapers did not appear sufficient to justify an inquiry being started under the Combines Investigation Act.

ROYAL CANADIAN NAVY

OPPORTUNITIES FOR ENLISTMENT

On the orders of the day:

Mr. N. J. M. LOCKHART (Lincoln): Mr. Speaker, I should like to ask a question of the Minister of National Defence which arises from two or three letters I have received from young men. Is there still a demand for young men to enter the naval service, or is the complement pretty well filled? They are anxious to get in, and the only quick way I could get an answer was to ask the minister.

Hon. BROOKE CLAXTON (Minister of National Defence): There are places for young men having the required educational and physical qualifications in all three services. But whether or not they would be in the particular classification the hon. member has in mind, I do not know. I shall be glad if he would let me have particulars to make inquiry and let him know.

POSTAL SERVICE

INQUIRY RESPECTING PAY OF CARRIERS

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, I should like to ask a question of the Postmaster General. I understand there will be a raise in pay for all rural carriers; is that correct?

Hon. ERNEST BERTRAND (Postmaster General): I shall take the hon. member's question into consideration.

CANADIAN COMMERCIAL CORPORATION

PROVISION RESPECTING PURCHASES FOR DEPARTMENT OF NATIONAL DEFENCE

Hon. J. A. MacKINNON (Minister of Trade and Commerce) moved the second reading of Bill No. 134, to amend the Canadian Commercial Corporation Act.

He said: I should like to make a brief statement before Mr. Speaker leaves the chair. As the house is aware, an order in council was passed on February 1 last, under the Public Service Rearrangement and Transfer of Duties Act, transferring from the Minister of Reconstruction and Supply to myself, as Minister of Trade and Commerce, the responsibility for procurement of the requirements of the armed services. The government, in deciding to continue a single civilian purchasing agency for the services, was anxious to take advantage of the efficient organization that had already

been built up and was functioning under the Department of Reconstruction and Supply. Many of the key personnel involved in these activities during the war are now carrying out duties as employees of the Canadian Commercial Corporation, and handling procurement problems for foreign governments and UNRRA.

In order to take advantage of this experienced personnel, it was desirable that the act establishing the Canadian Commercial Corporation should authorize that corporation to act as agent for the minister in procurement for the services. Accordingly it is proposed to extend the powers of the corporation as provided in the bill now before the house.

I might say that the bill now before the house was originally proposed as a simple amendment to section 4 of the act assented to last year. Amendments made in the senate, however, provide that the new provisions should form a separate part of the original act. I see no objection to this change, and in fact there may be some improvement made thereby. I wish to explain however that in adopting the bill as now drafted it becomes necessary to make certain further minor technical amendments which have been recommended by the law clerks of the House of Commons. I propose to suggest these amendments while the bill is in committee.

Mr. G. RUSSELL BOUCHER (Carleton): Mr. Speaker, when the Canadian Commercial Corporation Act was passed in 1946 the objects as set out in section 4 were, briefly, to assist in the development of external trade, to assist Canada in getting goods from outside the country and to dispose of Canadian products abroad. In other words, the original intention in setting up the Canadian Commercial Corporation was to form a crown company to deal with exports and imports as between Canada and manufacturers or exporters or importers in other countries.

The amendment now before the house in effect asks the government to give to that company the power to produce goods, to manufacture goods, to procure goods and to construct articles in Canada or elsewhere. By this amendment the scope of the activities of the Canadian Commercial Corporation are widened beyond anything comprehended in the original act. The amendment gives this crown company the power to do almost everything possible in the industrial, the economic and even the financial life of our country. These activities are restricted largely to the Department of National Defence. When this act was first passed it was considered as a temporary measure to take us through the post-war years. The last section limited the life of the company to 1949. In other words, under the act as it now stands, and the amendment does not seem to change that, the company will cease to exist sixty days after the commencement of the 1949 session.

The provisions of this amendment are foreign to the original intention of the act. It is evidently the intention of the government to set up a purchasing, procuring and manufacturing crown company to act for the Department of National Defence. What is the intention behind the amendments? Is it the intention of the government to continue the Canadian Commercial Corporation into the future, to manufacture, purchase, procure and import various articles which may be required by the government? Is it the intention to extend this procuring, manufacturing, constructing and purchasing to other departments of government besides the Department of National Defence?

I cannot conceive of the Minister of Agriculture (Mr. Gardiner) wanting the Canadian Commercial Corporation, under the Minister of Trade and Commerce (Mr. Mackinnon), to carry out its multitudinous functions for his department. I cannot see the Postmaster General (Mr. Bertrand) wanting the Canadian Commercial Corporation under the Minister of Trade and Commerce to do the purchasing, producing, manufacturing, procuring and constructing for the Post Office Department. And the same for the Department of Public Works. I cannot see anything in this amendment which would lead me to believe that it is intended to retain these services only for the reconstruction days.

The amendment goes much further than the original act and it has within its intent a much longer life. We notice that the Canadian Commercial Corporation is to hire, fire and provide for its employees, irrespective of the Civil Service Act. The corporation has power under the original act to arrange for superannuation benefits apart from those provided by the Civil Service Superannuation Act. It does not seem possible that in this year 1947 we are to have a procurement branch of the Department of National Defence transferred to the Department of Trade and Commerce and then have delegated by that department to the Canadian Commercial Corporation the power to appoint officers and officials, to fix their salaries and to provide retirement allowances and superannuation benefits.

The minister says he has had the benefit of the services of a number of employees from the Department of Reconstruction and Supply, formerly munitions and supply. I presume he means employees who were with the war sup-

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plies board, which did the purchasing for the Department of National Defence during the war, and which, may I say, did a very good job in that regard. I understand a great many former employees of the procurement branch, Department of National Defence, went into the war supplies board on loan from that department. Approximately 100 permanent civil servants who before the war were in the Department of National Defence, who were doing all the procuring and purchasing for that department, who were skilled and trained in that work, who had made a career job of it, who were under the Civil Service Act and were to receive civil service superannuation benefits, were on loan during the war. As a result of government policy these civil servants now find themselves unable to go back to the Department of National Defence because their functions or their duties are no longer being carried out by that department. Some of them, and I believe only some, are being invited to join the Canadian Commercial Corporation. These permanent civil servants who are under the Civil Service Act and who are subject to civil service superannuation benefits are in effect being asked to leave the civil service of Canada to join a crown company where their employment and promotion and superannuation benefits will be apart from the Civil Service Act and the Civil Service Superannuation Act. They are faced with a loss of the protection which many years ago the parliment of Canada in its discretion gave to career civil servants by the Civil Service Act. I do not think that is fair to those employees.

I believe that orders in council were passed subsequently covering the transfer of these personnel from Reconstruction and Supply to Trade and Commerce to go into the Canadian Commercial Corporation on loan. I do not just understand what "on loan" means. Here we have the fallacy, or the hypocrisy, whichever it is, of some 100 permanent civil servants going to a crown company and stated to be "on loan." They are to work under entirely different working and employment conditions. Many of them have paid into the civil service superannuation fund, which contribution is met in part by a contribution from the government related to the salary they receive.

May I ask the minister to tell the house before the Speaker leaves the chair whether he has arranged that the superannuation of a permanent civil servant who goes to the Canadian Commercial Corporation will remain as it was, or will his superannuation benefits be increased commensurately with any increase in salary he may receive while an employee of the crown company. Will his superannuation increase as his salary increases? I think it is most important to the personnel who are being transferred that they should know that. It would be unfortunate if we were to have a number of civil servants without the protection that they should have.

I believe civil servants appreciate the protection they receive, and when they are transferred to a crown company there should be no interference with or impairment of their rights of superannuation. It is not sufficient to allow their superannuation to remain at what it was when they were transferred from the Department of National Defence to the crown company. Nor do I think it fair to the permanent civil servant under the Civil Service Act and under the control set up by that act to have another class of civil servant set up by a crown company and subject to the favouritism or favourable consideration or possibly the disparaging treatment of officials of crown companies acting with almost arbitrary powers in the matter of giving their employees salaries, promotions and transfers. This is apt to injure seriously the whole morale of our civil service. We in parliament should look askance at any attempt to set up a different class of employees from those who comprise our career civil servants.

Why is this function being transferred to a crown company, an incorporated company? Nearly every department has its own procurement branch, its own personnel skilled in the procuring of supplies, who are directly responsible to the minister and the department. Their functions and finances are governed in the ordinary way by parliament. Their expenditures are before the house in the form of estimates as well as by way of the public accounts. But that is not so with crown companies, because if we turn to the crown companies acts we find that the original act setting up the Canadian Commercial Corporation provides by section 8:

8. (1) The Minister of Finance shall, on the request of the Minister of Trade and Commerce, from time to time deposit to the credit of the corporation in the Bank of Canada or in a chartered bank designated by the minister:

(a) an amount or amounts not exceeding in the aggregate ten million dollars to be paid out of unappropriated moneys in the consolidated revenue fund at any time while this act is in force;

May I point out that that means up to sixty days after the commencement of the 1949 session only. It goes on:

(b) any other advances or grants to the corporation that are otherwise authorized to be made by parliament from the consolidated revenue fund.

(2) The corporation shall retain, for the purposes of this act, all moneys received by it in the course of its business.

In other words this company is going to perform, besides its other functions, the function of puchasing for the Department of National Defence within an appropriation of $10,000,000, plus such further moneys as it may accumulate, and plus such further moneys as it may make in the course of its business. In my humble opinion that is a denial of the right of parliament to scrutinize the expenditure of public moneys. It has been of great benefit to democratic institutions that ministers have been under the necessity of producing before parliament estimates to be passed in one year and spent in the current year and to be examined after being spent, as appears from the auditor general's report.

But what happens in this case? In the first place the crown company is financed as I have just quoted from the act. Secondly, the act itself requires that the company's annual report shall be placed in the hands of the minister for tabling in the house sixty days after the close of the fiscal year, that is sixty days after March 31 of each year. If parliament is not then sitting the minister has until fifteen days after the opening of the next session of parliament to table that report, and until that is done the members of the house have no chance of scrutinizing the moneys that have already been spent. I repeat, they have not had an estimate before them for examination, and they get no chance to analyse the expenditures of moneys until perhaps two years after the money has been spent. It will be realized that a company could intentionally, or perhaps otherwise, defer payment of accounts until after the first of April in the year 1945. The company did not have to make its annual report for tabling in parliament until sixty days after March 31, 1946, and it may not table it until fifteen days after the opening of the 1947 session. There you have the money spent by a crown corporation in effect out of unappropriated moneys, or out of money granted to them from the consolidated revenue fund before the members elected by the people of Canada have the slightest opportunity to scrutinize those expenditures. I do not think that that lends itself to the spirit of responsible government. I do not think it lends itself to the spirit of democratic institutions.

I do feel that in setting up an agent for the Minister of National Defence who must ask the Minister of Trade and Commerce to ask the office of the Canadian Commercial Corporation to procure supplies or commodities for him, we are denying to parliament the right to make a careful and critical analysis of public expenditures. I do not think that the statement which the Minister of Trade and Commerce gave us this afternoon—the mere fact that we have some experienced men who did a good job during the war, and whom we may want to retain in the employment of the government—is sufficient to break an old and long-established custom of parliament. We should pause and consider before we pass this act, because if we do pass it today to apply only to the Department of National Defence, tomorrow the Minister of Agriculture or the Minister of Public Works may not be any more anxious than the Minister of National Defence appears to be to keep purchasing under his regime.

I do not think we are going in the right direction in this legislation, because it concerns not only the matter of purchasing but also procuring and constructing and manufacturing. If the amendment is passed we shall be authorizing the government to go into a broad and extensive sphere in competition with private enterprise.

May I read from an article which reached my desk recently, put out by the Canadian chamber of commerce, and dated June 16, 1947. I shall quote two or three paragraphs:

Release No. 16 Dominion Crown Companies

The large number of crown companies established during the last war has drawn attention to a device by which governments may invade the field of private enterprise. It has been estimated that during the war the dominion government set up over thirty corporations to engage in such varied activities as building houses, working mines, constructing and operating merchant shipping and producing synthetic rubber. Many of these government corporations have since been wound up; some still remain.

No governmental activity is so important in its implications to the business men of Canada and about none is so little known. Believing that it merits further attention and study, the research department has prepared the attached list of the existing crown companies established by the dominion before, during and after the war, with a brief statement of the functions of each. The preparation of the list has not been a simple matter but every precaution has been taken to make it complete.

The attached list will show that the device of the crown company is not a recent discovery in Canada; it was during the war, however, that it had its most rapid development and came most noticeably into competition with privately owned business.

The next paragraph is a very important one:

Many of the crown companies now in existence are engaged in activities which traditionally have been considered the province of private enterprise. All of them are subject in varying degrees to control by the government of the day, yet they are not departments of state directly responsible to parliament. They

enjoy special privileges not extended to private corporations, such as exemption from taxation and, in some cases, from industrial legislation.

This quotation is the considered opinion of the research department of the Canadian chamber of commerce and it is my considered opinion and, I believe, that of a great number of Canadian people. Canadian industrialists and other Canadians who believe in private enterprise are looking with grave apprehension upon the government's apparent policy of edging its way further and further into the realm of manufacturing, procuring and constructing, and into the realm of private enterprise. I believe that in this measure we are going farther than we have ever gone before, and with less justification. There may be some justification for crown companies even in the manufacturing business, if we take as an example the atomic energy plant at Chalk River. There can be some justification for the manufacture of military material which must be produced on an ever-expanding scale during war time, and in other non-competitive fields. That will probably include Polymer, the synthetic rubber plant at Sarnia. But for the government to take unto itself the role of manufacturing, ordinary everyday requirements of life, with special privileges over and above that of private enterprise, without the responsibility of having to pay municipal, educational, excess profits or corporation taxes, means that we are being unfair to private enterprise in which so many of us believe. I know that some of my friends of the C.C.F. party are strong believers in government enterprise. It is their privilege to have that opinion; but we must face the issue and decide whether or not we believe in government enterprise.

There are many things in this bill that we should consider. I do not believe that the Companies Act, either of the dominion or of the provinces, was passed with the intention of permitting a government to create a company and obtain possession of all the shares through the medium of the legal farce—that is about all I can call it—of issuing shares to four or five men, whom we call directors, upon condition that they endorse the shares and hand them back to a minister of the crown so that he can act on them if, as, and when he sees fit. The purpose of an incorporation is to put the responsibility upon the shareholders of the company and through them upon the directors to manage the corporate enterprise. I do not believe it was ever meant to issue certificates and have them endorsed and not put on the books of the company but held in escrow so that an officer's resignation could be accepted if and when desired, without his having any financial responsibility either as a share holder or as a director to the company he is managing. Nor do I think that any officers or directors of any company should have the say as to whom they shall hire or fire or whether or not they shall provide the employees with superannuation or retirement allowances at the expense of the people of Canada. I do not think the people who believe in the Civil Service Act see in this proposal any advantage other than that of political preference in a partial way being exercised against the servants of the dominion.

The Civil Service Act has to a great extent been responsible for giving security to civil servants and for the high standard of service which the Canadian people have received from them. If we are to continue, as this government appears to desire, to have employees to all intents and purposes working for the government but not under the Civil Service Act or under the Civil Service Superannuation Act, and with the privilege that the officials of a crown company can deal in their own peculiar way with their employees so far as superannuation is concerned, it will be injurious to the welfare of the civil servants of Canada, if not to the employees of the company. In other words, so far as this company is concerned under this bill it can make any arrangement it likes by way of superannuation for its employees, probably different from any other superannuation arrangement we know of.

Personally I am anxious to see the doctrine of superannuation or retirement allowances spread throughout the country. The great need of the people of Canada is the establishment of superannuation or retirement allowances for the employees of industry. There are many Canadians who have not the benefit of superannuation and retirement allowances. The Canadian people are not going to welcome the fact that parliament is allowing the Canadian Commercial Corporation, which expires sixty days after the 1949 session, to set up superannuation benefits for its officers and employees until that time, irrespective of the Civil Service Act. Under the Civil Service Act civil servants must over many years contribute to the superannuation fund before they can get any value out of it. Today we are discarding the whole principle of the contributions; because how can the employees of a crown company, subject to the whim and fancy of its officials, get any greater benefit under the superannuation scheme than they would get under the Civil Service Superannuation Act.

I think we are treading on dangerous ground. The civil servants of Canada will be discontented and aroused by the fact that we are setting up special groups of government employees and giving them special privileges, whether they be temporary civil servants, career civil servants, permanent civil servants or crown company civil servants. We are laying ourselves open to a lot of difficulty. It is not so important for the government to keep on the payroll a few officials who have joined the staff of the procurement branch of the Department of National Defence to buy war supplies for the dominion government as it is to make a breach of the established, time-tried custom of the Civil Service Act and civil service superannuation. The main purpose of this bill, as was evidenced by the remarks of the Minister of Trade and Commerce today, is to create a crown company to buy supplies, construct, procure and manufacture for the Department of National Defence and to blanket these employees into the civil service along with our career civil servants. Those who have been on loan from private enterprise to the war supply board have done a meritorious job. They will continue on loan from private enterprise. Yet they are being blanketed into government appointments at salaries largely set by themselves. We know instances of salaries or remuneration greatly in excess of the salary or remuneration of civil servants who were in the service of the national defence department for a long time.

Before we embark upon a policy of this kind I should like the minister to explain whether or not it is the government's intention to extend the life of the Canadian Commercial Corporation, and if they intend to do it permanently or whether they want this company to do the purchasing for the Department of National Defence for a few short months and then send the employees back to the Department of National Defence or to other departments to do the work they were doing before war broke out.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I wish to point out to the minister two or three principles in connection with this corporation. I remember that last session by chapter 40 of the 1946 statutes this Canadian Commercial Corporation was created for certain specific purposes. I believe these corporations are becoming a menace to parliamentary control and are not in the interests of responsible government. They have been created for specific purposes. Are we to remove this corporation from the control of parliament? It is going to assume all the powers and functions of the minister. All of the officers of the old corporation are under the direct control of the minister for the specific purpose of making purchases of munitions of war or supplies and so forth. By this act are we going to remove from control by parliament and the auditor general the purchase of supplies by this ministry on land, sea and in the air, spending money running into hundreds of millions of dollars.

I wish to point out that is one of the principles on which United States seceded from Britain, namely, taxation without representation, lack of responsibility. We shall not always get a minister who is as strong a supporter of responsible government as the present minister is. Is this Department of National Defence the only department which can be selected by the minister? Because every officer and suboffícer of the Canadian Commercial Corporation from the top to the bottom is an officer directly under the minister and is under the control of the minister. The functions and powers are set out in chapter 40 of the statutes of last year. We are now amending part II to empower the corporation to act directly for the minister and assume all his powers, duties and functions regarding the purchase of supplies for the whole defence department. By that the functions of the auditor general will be removed. We are encroaching on his powers now. I know of another corporation for which $300,000 was voted. The other day I asked as to the way this grant was spent, as the Minister of Public Works said it was a statutory one. We could not get any information. I wanted them to give the house the particulars of this expenditure. The responsible minister of the crown, the Minister of Public Works, told me that it is statutory now, that they have no control over that, and he would not give any details. Has the auditor general any control over this corporation? If the minister is going to purchase for other departments? I should like to see him include another department, because as I read the functions of the act, chapter 40 of the statutes of last session, I do not believe the minister needs a bill like this at all to enable him to act for the defence minister in purchases. The corporation now has sufficient powers, without this bill, to buy supplies for these united defence departments. Consequently, if he is going to buy supplies and all that kind of thing, or otherwise produce them, and construct or carry out projects, I should like to see him act for another department. The minister has a valuable group of officials listed in his trade and commerce booklet every month. You can see the good

work they are doing all over the world on the seven seas. I should like to see him act for another department. When coal and houses are bought and transported all over the seven seas for certain officials of another department, external affairs, there is duplication. If this corporation is to be successful, it must not duplicate the work of another department. The minister in charge of the Department of Trade and Commerce now has commercial agents on the seven seas as foreign agents. You ought to see the list of them in the minister's monthly booklet; they are doing the very work which these useless ambassadors are doing in another department, all over the seven seas, there is duplication and waste. They are not necessary at all. If the minister would include them as well, I would not mind supporting him. But under the present principle parliament, by passing this amendment, will be absolutely removing purchases from the control of this parliament. The minister will not be responsible now, because he has divested himself of his ministry and is moving his responsibilities over to a crown corporation which can snap its fingers at parliament and say: we are statutory now; we do not need to have your consent or advice at all. One department which should be abolished is the department I referred to, external affairs, when we already have commercial and many other agents in these foreign countries who do most or all of the work overseas; yet houses and supplies, including coal, are being sent over to them by the Department of External Affairs.

Mr. H. C. GREEN (Vancouver South): Mr. Speaker, the explanatory note to this bill states that the purpose of it is to enable the Minister of Trade and Commerce (Mr. MacKinnon) to utilize the services of the corporation—that is, the Canadian Commercial Corporation—in making purchases for the Department of National Defence. The members of the official opposition are firmly convinced that this is an unwise step. This afternoon I intend to try to convince hon. members in all of the other parties in this house that such is the case, and to ask that the government withdraw this bill and give further consideration to the whole question. I notice that the Minister of Finance (Mr. Abbott) shakes his head.

Mr. ABBOTT: I am anxious to save money.

Mr. GREEN: I hope that he is not yet the whole government. If he cannot be convinced, I will work on the others. I shall try to convince hon. members who have more open minds.

[Mr. Church.]

Mr. ABBOTT: That is a pretty easy gibe.

Mr. GREEN: In order to see just what this bill means, we must first consider what the Canadian Commercial Corporation itself is. It was set up last year as a crown company for definite purposes. Those purposes will be found in section 4 of the act, chapter 40 of last year's statutes, and read as follows:

4. (1) The corporation is established for the following purposes:

(a) to assist—

And I emphasize that word "assist".

—in the development of trade between Canada and other nations, and

(b) to assist—

Again that word is used.

—persons in Canada

(i) to obtain goods and commodities from outside Canada; and

(ii) to dispose of goods and commodities that are available for export from Canada.

In other words, the primary purpose for which that corporation was set up was to assist private firms to develop import and export trade. The Minister of Trade and Commerce himself explained that last year on July 5. I am now quoting from page 3192 of *Hansard*, where he said:

In general, the corporation acts only as an agent and does not of itself initiate purchases in Canada.

By the way, if I am incorrect in any of my statements as I proceed, I shall be glad to have the Minister of Trade and Commerce correct me. Then, as the hon. member for Carleton (Mr. Boucher) clearly pointed out in his speech, the Canadian Commercial Corporation Act provided that the corporation was to continue in existence for only a limited period of time. It is a temporary corporation. It expires in 1949.

Now for the first time this crown company is given the job of buying, manufacturing, producing and constructing goods and projects for the Department of National Defence. The section reads:

The corporation may, as directed by the minister, exercise and perform on behalf of the minister, the power, duty and function vested in the minister to buy or otherwise acquire and manufacture or otherwise produce munitions of war or supplies for, and to construct or carry out projects required by, the Department of National Defence.

The latter power would of course include the construction of forts and other defence projects.

I would point out to you, Mr. Speaker, that these new functions are of the utmost importance. Many members of this house were here

before the war and they will remember, and the Minister of Veterans Affairs I am sure will remember, that we had a great deal of discussion both in this house and in the public accounts committee concerning the manufacture of weapons in Canada, particularly the manufacture of the Bren gun. During the session of 1939 there was no subject of greater importance than this question of producing weapons of war. One of the main points stressed then was that there must be the closest cooperation between the defence department and industry if we were to be able to manufacture in Canada up-to-date weapons of war.

As a result of all this controversy, action was taken by the present government, in that in 1939 they brought in a statute, chapter 42 of that year, setting up what was known as the defence purchasing board. That act is described as an act to establish a defence purchasing board to control the awarding of contracts for the manufacture of defence equipment and the construction of defence projects, to limit costs—my hon. friends of the C.C.F. will remember the stand they took on the question of limiting costs—and control profits in respect of such contracts, and to authorize the raising by way of loans of certain sums of money for such purposes.

By the way, this defence purchasing board was not a crown company; it was merely a board set up under two departments, the Department of National Defence and the Department of Finance. As I read the act, and as I recall the discussion, the underlying plan was that there should be a joint control by the Department of National Defence and the Department of Finance. The first mentioned department had the responsibility of getting modern equipment, and the Department of Finance had the responsibility of seeing that that equipment was purchased at a proper price, and checking on the expenditures. It was called the Defence Purchases Profits Control and Financing Act. That act should be carefully considered, and I am going to mention some of its provisions.

For example, the chairman of the board was made ex-officio a member of the defence council of the Department of National Defence, and of course there is no provision in the bill now before us that even remotely resembles that provision. Then the board was given various powers, and it is interesting to read some of them. For example, this defence purchasing board was given the power to inquire into the requirements, whether actual or anticipated, of the Department of National Defence for defence equipment or for defence projects, the specifications thereof and the reasons therefor; also to inquire into the quantities of defence equipment already in the possession of the government or contracted for but not yet delivered.

There was power, further, to cooperate with the Minister of National Defence in surveying industrial plants which might have facilities for providing defence equipment required by the department, and that was the most important function because it enabled this board to keep in touch with industry and to make certain that there were industries in a position to manufacture weapons of war. Further, there was the power to prepare and keep up to date lists of sources of supply for defence equipment. They were given free access at all times to all relevant records, documents and papers of the Department of National Defence. They were given the power to require any officer or employee of the Department of National Defence to furnish the board any information he might have with regard to any of the matters falling within the scope of the duties of the board.

This defence purchasing board was given very wide powers, and provision was made in the act to limit profits. As I remember, there was a limitation of five per cent on profits. All these details were carefully placed in this act which set up the defence purchasing board. That was in 1939 and the act was proclaimed on July 14, 1939. A few weeks after that the Germans struck and Canada went to war. In the fall of 1939, at the short session, an act was brought in, chapter 3 of that session, setting up the Department of Munitions and Supply, which took over the powers of the defence purchasing board. There were further amendments from time to time giving the Department of Munitions and Supply additional powers. For example, in 1940, chapter 31 of that session, we find this provision in section 7:

The minister,—

That is, the Minister of Munitions and Supply.

The minister, exclusively,—

That is a very strong word to use in an act of this kind.

—may buy or otherwise acquire, manufacture or otherwise produce, munitions of war or supplies and construct or carry out defence projects required by the Department of National Defence.

There are exceptions, but very wide power was given the Department of Munitions and Supply, and I would point out that this was the main job of the Department of Munitions and Supply throughout the war. It was set up for that very purpose, to procure weapons and

supplies needed by the forces. Then in 1944 an act was passed setting up the Department of Reconstruction, and in 1945 another act was passed, chapter 16 of that year, setting up the Department of Reconstruction and Supply and providing for that new department to take all powers of the Department of Munitions and Supply.

Now we have come to the time apparently where the Department of Reconstruction and Supply is folding up. The minister is shedding powers right and left.

Mr. ABBOTT: Shedding staff too.

Mr. GREEN: That is a very good thing.

Mr. ABBOTT: Very good purchasing staffs, too.

Mr. GREEN: He should have done it long since. He is shedding powers, although he is not shedding some powers that really do not belong to him, such as control of aviation in Canada. However, he is, as I say, shedding powers, and one of those powers is the power to purchase defence supplies.

Mr. ABBOTT: He has transferred the staff to another department.

Mr. GREEN: He has given up the power, turned it over to the Minister of Trade and Commerce. I repeat, that power is being transferred to the Minister of Trade and Commerce, and only indirectly at that. It is going to the Canadian Commercial Corporation, more or less remotely under the Minister of Trade and Commerce. We find that provision made in this bill by one broad, sweeping section. I would remind hon. members that when the defence purchasing board was set up full details of its powers were given, and the whole plan was carefully worked out. Now we have this one sweeping section which says, in effect, to the Minister of Trade and Commerce (Mr. MacKinnon): "Here is your baby; look after it". I doubt very much whether he is happy about having that baby, but in any event there it is, on his lap.

In effect these powers are given to one man, to Mr. W. D. Low, who may be the finest business man in the country; but in effect all those powers which were fought over and discussed in the house in 1939 for so long are now given to the managing director of the Canadian Commercial Corporation. This is a corporation composed of deputy ministers and senior civil servants, who have dozens of other jobs to do—and also Mr. Low who, in effect, is the whole corporation. So that really this is to be a one-man show. We think that is not proper. We think the job of equipping the Canadian forces and of building defence projects in Canada is far too important to be turned over to one man.

There are many reasons why this method is questionable. First of all, the Department of Trade and Commerce and the Canadian Commercial Corporation have other work to do. This work is not in their line. As I said, the corporation is of a temporary nature; it is to go out of existence in another two years. The Department of Trade and Commerce is not a defence-minded department, and the minister of that department has a full-time job as it is. His job is to promote the import and export trade of Canada. He has done a great deal of work on that job, and deserves credit for his efforts. That is his job, and this new job he is now given is entirely out of line with the work of the department. On the other hand the Department of Munitions and Supply was a wartime department, and their chief job was to buy munitions of war.

We are afraid the new plan will be ineffective in keeping the Canadian forces equipped. The Department of National Defence has, or should have, the direct responsibility for equipping our forces; that is probably its main function at the present time, namely to see that the forces of Canada have the best equipment and to see that across Canada there are factories available which could turn quickly to the manufacture of weapons of war, should they be required.

The Minister of National Defence (Mr. Claxton) has emphasized repeatedly, both in the house and outside, the importance of keeping up to date and of having the best equipment. It is his department's responsibility to set up and to control that machinery. It cannot get out of that responsibility by passing the job along to the Department of Trade and Commerce.

I would ask the Minister of National Defence to explain why he is not using the defence purchasing board. Why is he not making use of the statute enacted in 1939? No doubt it would need amendments, but surely it could be used for this purpose. Then we would have the Department of National Defence directly responsible for the country's getting equipment and the Department of Finance would have the responsibility of seeing that there was no waste in connection with the purchases. If the government will not do that, why not have this crown company under the Department of National Defence rather than under the Department of Trade and Commerce?

Then, where does Canadian Arsenals Limited fit into this picture? There we have a government company manufacturing certain weapons of war; where does it fit in? Is it to be under the Department of Trade and Commerce too, or is it to be under National Defence?

I asked this question of the Minister of National Defence on February 17, and his reply is found at page 524 of *Hansard* as follows:

> Possibly Canadian Arsenals will come to defence and some of the other activities such as purchasing will go to trade and commerce as well as some part of the inspection.

We would like to know who is to be responsible for Canadian Arsenals.

Another objection is that this new set-up will be ineffective for the construction of military projects. I shall not go into that further because the hon. member for Nanaimo (Mr. Pearkes) will deal with that phrase of the matter.

The fourth objection is that this is one more instance of using a crown company instead of placing the responsibility directly on the department. The hon. member for Carleton has already dealt with the question of the wisdom of using a crown company. We are much concerned over the trend of the government towards the use of crown companies. It looks like such a simple scheme, just to set up a company and let it do your work. All the time the company will get farther and farther away from the control of parliament, farther and farther away from control by the Canadian people.

Mr. GRAYDON: Let George do it.

Mr. GREEN: Some day this practice must be stopped, and we believe it should be stopped right away. We say this procedure of setting up crown companies should be stopped immediately.

These are the reasons I place before the house for asking that the government withdraw the bill and give further consideration to the whole policy. The necessity for equipping our forces, keeping them equipped and establishing proper controls over the manufacture of that equipment is one of the most vital matters facing not only the Canadian parliament but also the people at large.

Mr. G. R. PEARKES (Nanaimo): Mr. Speaker, I can appreciate the advantage of having a central agency for the purchasing of supplies and equipment for the three armed services, provided those purchases are made according to the specifications laid down by the responsible officers of those services, and provided there is speed in procurement and delivery of these special articles.

It seems to me those essential requirements were met when there was a procurement branch within the Department of National Defence. But the farther that procurement branch is removed from the actual department concerned, the greater is the danger of specifications not being adhered to and of substitutions being made; and inevitable delays must result when instructions are passed from one department to another. If the responsible officers of the department have to make known their requirements to the Minister of National Defence, and if the Minister of National Defence must pass them on to the Minister of Trade and Commerce, who in turn would pass them on to this corporation, it is obvious that there must be a considerable period of delay before production can begin of the article required. The farther the central agency is removed from the actual department, the greater the danger of delay, and of specifications not being adhered to.

I am particularly anxious to refer to that part of the bill which deals with the authority granted to the corporation to carry out projects. For a great many years it has been the custom of the various armed services to deal with the Department of Public Works when they require any construction work to be done. If there was a gun emplacement to be built, if barracks were to be constructed or a runway laid down for some R.C.A.F. station, that was turned over to the Department of Public Works and the work was then let out by that department under the proper supervision of the engineers of the department. The engineers of the services were accustomed to working with the engineers of the Department of Public Works, and they had confidence in their decisions.

Sometimes it was not always possible for the Department of Public Works to carry out the project which had been turned over to it, and then opportunities arose where the construction work would be carried out by day labour under the supervision of the engineers of the services. Occasionally the work would be carried out by service personnel under the supervision of their own engineering officers. Opportunities were thus given to the service engineers to gain experience in carrying out various construction work. That might be described as useful training, but in the main this construction work was carried out by the Department of Public Works.

What is intended to be done under this bill? Is this corporation to set up a little public works department to carry out the work required by the Department of National

Defence? Is it to undertake all works required by national defence, or is the Department of National Defence to go first of all to public works to see whether they will undertake the construction and, if not, then go to the corporation to see whether they will? Do they intend, as it were, to call for tenders to see whether public works or the corporation can do it more cheaply, more quickly and more efficiently? Are they going to try to hawk the job they want to have done between the Department of Public Works and the corporation? To use the term frequently used in the services, it seems to me that they will be given a merry run-around in trying to get done the work they want done.

If this corporation is going to set up a special engineering department of its own, then I suggest that the Minister of Finance will not achieve his object of saving money. It is inevitable that there will be duplication in setting up a new branch to carry on construction work for the Department of National Defence only instead of taking full advantage of the facilities of the Department of Public Works. It is beyond my comprehension to see the advantages of having construction work done by this corporation.

There is just one other point I should like to refer to. Are men who have been overseas to have the advantages of veterans' preference? Are the veterans of this war to receive the same preference from this corporation that they receive from the civil service? How many of the personnel now on the strength of the corporation are returned men, have had actual experience in any of the three services? As I say, I cannot see any advantage at all in placing construction work under this corporation.

Hon. BROOKE CLAXTON (Minister of National Defence): Mr. Speaker, as one charged with the responsibility for defence I think I should say something in reply to the observations made by hon. members of the official opposition. My only interest in this bill is that it helps in the defence of Canada. Were I to feel otherwise, I would certainly not support it. The purpose of the bill is to facilitate the procurement of supplies and equipment for the armed forces.

I would point out to my hon. friends that the bill follows directly along the lines of our wartime experience. It does not seek to set up a new technique or method for dealing with procurement. It results from the fact that during the war we developed, in the Department of Munitions and Supply, one of the best methods of procurement of any country fighting on our side. Rather than go back to what we had before the war, and which had to be replaced, we thought we would try to keep the principle of the Department of Munitions and Supply and see if we could not secure in peace time something of the great efficiency and economy of effort and concentration of purpose that that department was able to secure in war time.

With that end in view it was felt that it would be exceedingly unwise and improvident for the government of Canada to dissipate the purchasing apparatus of the Department of Munitions and Supply once the war was over. With the creation of the Department of Reconstruction and Supply the purchasing personnel, the "know-how", to use their term, which they had acquired during the war and all their records and files were transferred to that department. As the period of reconstruction ends we have sought to create an agency which would do just that job and which would continue to have in close association with the government and with the services of Canada the same people who had done the work so well.

The Canadian Commercial Corporation was created, not only for the purposes of purchasing for the Department of National Defence, but for the other purposes that parliament or the government might provide for it.

Mr. GREEN: May I ask the minister a question?

Mr. CLAXTON: I think I ought to be allowed to finish. We are not in committee at the moment.

Mr. GREEN: I just wish to ask a short question. The minister said that Canadian Commercial Corporation was created for the purpose of purchasing defence supplies.

Mr. CLAXTON: If the hon. member was listening he must have heard that I went on and said as well it was created with that intention as well as to do other work for which it was created. It may not have been made known when the corporation was set up by statute that that purpose was envisaged, because we had not reached that stage in the process of reconstruction; but that purpose was in mind at the time the corporation was set up.

Mr. FRASER: Why was not parliament told?

Mr. CLAXTON: Because the time had not come for parliament to be told.

Mr. BOUCHER: Why was it to expire in 1949?

Mr. CLAXTON: The hon. member will appreciate that during the period since 1946 there have been a great number of develop-

ments and changes, and I think it must have been apparent to any hon. member that either defence purchasing would return to the Department of National Defence or else it would be handled by some continuing agency of the government. The government's view throughout was that it should be handled by a separate agency, and the Canadian Commercial Corporation was envisaged as such an agency. That is what I meant when I said it was created having that in mind, though the immediate object for which it was set up was different.

Let me take up some of the points made by the hon. member for Vancouver South (Mr. Green). He said that this would be a one-man show and objected to it on that score. Well, if defence purchasing were put under a branch of the Department of National Defence, as has been suggested by speakers opposite, I suggest it would still be a one-man show, and the one man would be either the head of the branch or the minister concerned. There is no escaping from the fact that ultimately responsibility under our parliamentary system must be taken by one man.

The hon. member suggested a board. I think it has been found by experience that a board is frequently not the most efficient, economic and speedy means of doing administrative and executive work. Our experience is that it is often better to do it either directly in a government department or to have it done by a crown company.

The hon. member says this is not a wartime show. It is not a wartime show because it is not war time, but this carries into peace time in the person of Mr. W. D. Low and other senior officials the experience and the knowledge and the files and the contacts with industry throughout the country which the Department of Munitions and Supply built up over six years.

The hon. member said that this was not a defence-minded department and that it was not responsible for defence, and the hon. member for Nanaimo (Mr. Pearkes) made somewhat similar observations. The Canadian Commercial Corporation is intended to be a purchasing agency. It does not design munitions of war or equipment. Those designs are worked out in the department of defence, or under its authority, but, the design having been arrived at, the Canadian Commercial Corporation is to be asked to obtain tenders and place a contract. The corporation is a purchasing agency and the matter would be handled in that way because it is considered to be desirable that there should be a civilian agency of government having continuous contact with civilian suppliers and manufacturers of munitions of war. As I pointed out, these are exactly the same people who had this continuous association through the Department of Munitions and Supply with the suppliers of munitions during the war.

Mr. DIEFENBAKER: If the minister will allow a question just for the purpose of getting information, is this new plan as covered by the amendment, section 17, to be a continuing one, and has it been determined by the government that this is the proper way of performing in the future the functions covered by the section?

Mr. CLAXTON: Of course. That is the very purpose of the bill, for two years, and then the whole matter will be reviewed.

Mr. DIEFENBAKER: Oh!

Mr. FRASER: Two years is just the thin end of the wedge.

Mr. CLAXTON: My hon. friend seems to regard it as curious that it should be put before parliament again after a period of two years, but that is done expressly for the purpose of ensuring that there shall be a review of the situation at the end of two years. I think my hon. friend is one of those who rather likes to have parliament have a say in these matters.

Mr. DIEFENBAKER: Yes, and I do not like boards.

Mr. CLAXTON: As far as we can see, this is the most desirable way of doing this purchasing in the light of our wartime experience. If two years from now it is found that it is not the most desirable way, we shall be quite prepared to change it.

As I was saying, the function of the corporation is not to design equipment, it is not to fix specifications; it is to place orders, and it is considered desirable that that should be done outside the Department of National Defence, because our belief is that the Department of National Defence should be primarily engaged with defence matters and not directly charged with questions of purchase and in some respects, inspection, industrial organization and the like, although I shall have a word to say further on that point.

The hon. member asked what was the position of Canadian Arsenals Limited. Canadian Arsenals Limited is at present under the Minister of Reconstruction and Supply, and the minister through whom the company will report to parliament has not yet been finally decided upon, though obviously it will be either the Minister of Trade and Commerce

or the Minister of National Defence. The company is in active life and it will carry on in the production and development of various types of munitions.

The hon. member for Nanaimo asked what this corporation had to do with construction, and why that should not be handled by the Department of Public Works. It happens that the greatest amount of construction being undertaken by the Department of National Defence at the present time is that of married quarters and the conversion of married quarters. When a job has to be done, the plans and specifications for it and the orders for it will be given to the Canadian Commercial Corporation, which, if it can get a contractor to undertake the job on suitable terms, places the contract. In a great number of cases it is not possible to get contractors and the work has been done directly by the Department of National Defence itself. These are major projects involving hundreds of dwelling units, and they are similar in magnitude to the kind of work that was done in that respect by the Department of Munitions and Supply during the war.

Mr. PEARKES: This is to be another housing project?

Mr. CLAXTON: This is a very large housing project involving the conversion or construction of some hundreds of dwelling units this year. At the present time the defence forces are endeavouring to convert every surplus barrack or hut that can be converted into married quarters.

I should point out that in consequence of the developments that have been referred to, the contracts branch of the Department of National Defence has ceased to have anything whatever to do with purchasing. If the plan proposed by the present bill were not given effect to, it would be necessary to reconstitute in the Department of National Defence an identical structure for the same purposes.

Mr. BOUCHER: Take back what you had before.

Mr. ABBOTT: And employ hundreds more civil servants.

Mr. CLAXTON: And employ a great many more people. The Canadian Commercial Corporation has exactly nine people on its staff who are the last survivors of those who were transferred from the contracts branch of the Department of National Defence, so that if the Canadian Commercial Corporation were not used for the purpose it would be necessary for the Department of National Defence to recreate that branch, to employ some hundreds of employees at the very moment when my hon. friends opposite are pressing for deductions in the civil service.

Mr. GREEN: Why don't you take the nine into your own department?

Mr. ABBOTT: That would make ninety or so.

Mr. BOUCHER: What did the minister do with the others who were there?

Mr. FRASER: There were 120 in the corporation in April.

Mr. CLAXTON: There would be presumably about that number in the Department of National Defence if we were not getting the Canadian Commercial Corporation to do that job, with a straight duplication of functions and of personnel, the kind of thing that this government has been trying to avoid.

Mr. FRASER: Oh, oh.

Mr. ABBOTT: Hear, hear. All we get opposite are suggestions for increasing.

Mr. CLAXTON: The kind of thing, which I may say, the Department of National Defence has been rather successful in doing. Because of the reduction—

Mr. GRAYDON: Who says that?

Mr. CLAXTON: I say it, and I am proud of it.

Mr. GRAYDON: You are proud of almost anything.

Mr. CLAXTON: We reduced the number of personnel in December 1946 from some 33,000 to something in the neighbourhood of 19,000 by the end of the fiscal year, a reduction of some 37 per cent, which is a substantial one. That kind of reduction cannot be made—

Mr. BOUCHER: Will the minister permit a question?

Mr. CLAXTON: Mr. Speaker, we are not in committee. I ask my hon. friends to allow me to finish. I do not often interrupt them.

Hon. members opposite ask, why not do this in the Department of National Defence? I think the answer is that in this country, as in the United Kingdom, we found it desirable, from our wartime experience, to concentrate the functions of the Department of National Defence as far as we could to those related primarily to the planning, training and operations for defence purposes, and that as far as possible the civilian functions associated with defence or resulting from defence activities should be done by some other agency of the government. In our belief this

is the desirable course so as to secure the benefit of specialization of function, and of ensuring that as far as possible the men in the defence department have to do with defence. I might point out that in the United Kingdom they are continuing the handling of all defence purchasing for all three services by the department of supply which is being continued. That is not considered desirable here because the volume of defence purchasing for our country of twelve million people is ordinarily not sufficiently great in peace time to warrant a separate department; but it is considered desirable that it should be handled by a department of the government separate from that of defence.

I should like to point out that in connection with the whole matter of procurement of all defence equipment there are a number of different things to be considered. First of all is standardization; second, industrial organization; third, inspection; and fourth, purchasing. All these matters are closely associated; all these matters are of concern to industry and to those who supply materials of defence as well as to the defence department.

Standardization, for example, is very much more a matter of keen concern to industry in its civilian capacity than in its capacity to make munitions of war; but we as a defence department are interested in it from both points of view. Our view is that these four aspects of the whole process of procurement can be handled far more effectively if they are under a civilian department and if they are handled in conjunction one with another. Consequently plans are being examined to see if these activities cannot largely be concentrated in the Department of Trade and Commerce as the successor to the Department of Reconstruction and Supply.

Finally, Mr. Speaker, there is this to be said. Canadian industry itself has become accustomed to dealing with the Department of Reconstruction and Supply, successor to the Department of Munitions and Supply, and our view was that industry would be more accustomed to dealing with the people with which it had been dealing throughout the war if these people were put in close association together, and that was accomplished in the Canadian Commercial Corporation. I think it is fair to say that my hon. friends opposite have not and cannot point to any single respect in which this practice, which has already been in effect for some time, has failed to work effectively. They are expressing fears and apprehensions, but we have now almost half a year's experience of the way in which it is working, and we find that it is working satisfactorily. We have had that experience, and based on that have put forward this measure with the thought that it represents a substantial advance on the methods of procurement followed before the war, and it is a logical and natural consequence of our war experience.

Mr. PEARKES: Will the minister permit one question? Can he explain whether this corporation is going to do all the construction work in the future, or whether some will be done through the Department of Public Works and some through this corporation? He did not make it clear to me just the relationship between this corporation and the Department of Public Works and the Department of National Defence.

Mr. CLAXTON: If an outside contract is to be placed for construction to be done for the Department of National Defence, it would be placed through the Canadian Commercial Corporation.

Mr. PEARKES: Not through public works?

Mr. CLAXTON: That is right.

Mr. ROSS (St. Paul's): Will this be a new department altogether, the Canadian Commercial Corporation?

Mr. CLAXTON: No, not at all.

Mr. ROSS (St. Paul's): What else will it be?

Mr. DEPUTY SPEAKER: Order. May I remind hon. members that we are not in committee.

Mr. ABBOTT: We shall be shortly, I hope.

Mr. J. G. DIEFENBAKER (Lake Centre): I listened with interest to the remarks of the minister in his defence of this extraordinary proceeding of placing in a corporation set up for an entirely different purpose the power, duty and function to buy or otherwise acquire and manufacture munitions of war or supplies for, and to construct or carry out projects required by, the Department of National Defence. As a matter of fact in the concluding words of his speech the minister indicated that he found inefficiency in his own department in the doing of this work, and that the experience of the last few months had convinced him that the work would be done much more efficiently by a corporation such as the Canadian Commercial Corporation.

I would point out that the purposes for which the corporation was established in no way comprised any of the functions now being allotted to it. I presume that section 4 will have to be amended before section 17 can

be added, because section 4 states that the corporation is established for the following purposes:

(a) to assist in the development of trade between Canada and other nations, and
(b) to assist persons in Canada
(i) to obtain goods and commodities from outside Canada; and
(ii) to dispose of goods and commodities that are available for export from Canada.

As far as powers are concerned, they in no way comprise within their ambit the powers asked. There is a subsection regarding directions which reads as follows:

(2) The corporation shall comply with any general or special direction given by the governor in council or the minister with reference to carrying out its purposes.

I suggest to the minister first that until section 4, dealing with purposes, is amended, section 17 has no application whatever to this particular act; for certainly none of the purposes set out in section 17 have to do with the development of trade between Canada and other nations, or with the assisting of persons in Canada to obtain goods and commodities from outside Canada or to dispose of goods and commodities that are available for export from Canada.

Mr. ABBOTT: That power is vested in the minister.

Mr. CLAXTON: May I clear up that point? Perhaps I did not make myself clear, because I was not expecting this debate to come on at this time; I was actually before the Newfoundland conference. My recollection is that the powers with regard to purchasing and the like for the defence department, which were exercised by the Minister of Reconstruction and Supply, were transferred by order in council under the Transfer of Duties Act—which was put before parliament and dealt with in a previous debate—to the Minister of Trade and Commerce; and he has used the facilities, the employees, of the corporation to do this job as his agent. It has not involved any activities as a corporation. It has been carried on in that way.

Mr. DIEFENBAKER: Well, Mr. Speaker, if it has been carried on in that way, it has been carried on unlawfully.

Mr. CLAXTON: No.

Mr. DIEFENBAKER: Because the corporation can only receive a general or special direction from the governor in council or the minister with reference to the carrying out of its purposes, to quote section 4, subsection (2). This procedure indicates once more, sir, what we have so often said, namely, that this government still has the power complex which it had during the days of the war and the tendency by order in council to do things which are contrary to the law.

Mr. CLAXTON: It could have been left with reconstruction and supply.

Mr. DIEFENBAKER: My hon. friend is now wanting to make a third speech. I allowed him to make a second one. But I suggest that section 4 be submitted to the law officers, and I have no doubt what the opinion of the law officers will be. They will say it will have to be amended if the present amendment is to be accepted by this house.

There is one other matter with which I wish to deal, and it was dealt with generally by the hon. member for Carleton (Mr. Boucher); I refer to the result which will follow should this power be granted as requested by the minister. Section 6 of the Canadian Commercial Corporation Act sets out as follows:

(1) The corporation may, notwithstanding the Civil Service Act or any other statute or law, employ such officers or servants as it deems necessary to carry out this act and may determine their conditions of employment and their remuneration which shall be paid by the corporation.
(2) The corporation has, under the minister, the control and supervision of the officers and servants employed under this act.

I suggest that to make such a provision as this, using the corporation for purposes which were never anticipated, is just another means on the part of this government to circumvent the civil service commission. That has been going on. The minister pointed out the reductions in staff, of the Department of National Defence during the past two years. With the end of the war there would naturally be a reduction in staff. He ascribes that reduction, however, not to the ending of the war but to direct action on the part of his department. Actually there is direct action on the part of this government to get around the operation of the civil service commission. The minister speaks of reduction in staff. I wish to point out that during the past two years—between May 9, 1945 and April 30, 1947—72,500 have been appointed to civil service positions in this country, outside of crown corporations, a large number of these being replacements.

Mr. ABBOTT: Has the hon. member the figures as to how many have left the service?

Mr. DIEFENBAKER: Yes, the figures are here.

Mr. ABBOTT: What are they?

Mr. DIEFENBAKER: They give the picture.

Mr. ABBOTT: How many have left the service?

Mr. DIEFENBAKER: My hon. friend will be able to give that.

Mr. ABBOTT: I thought the hon. member might give the whole story while he was at it.

Mr. DIEFENBAKER: I am telling the story; it reveals that in the past two years, by means such as are being applied—by placing the purchase of munitions and the building of housing and the like under the Canadian Commercial Corporation—a deliberate effort is being made to get around the provisions of the Civil Service Act.

Mr. ABBOTT: That is nonsense.

Mr. DIEFENBAKER: Recently I asked how many appointments had been made to the civil service during the two years I have mentioned—May, 1945, to April, 1947. I have given the approximate figure. I asked also how many such appointees had passed a civil service examination prior to having been taken in or appointed. The answer given was, not how many had passed, but that all those appointed by the civil service commission were subject to an examination by the civil service commission. I would point out that under a provision such as this, in setting up corporations, the veterans' preference can be evaded. It can be circumvented. Of the 72,500 appointments, many of them replacements, as I have stated, made during the past two years, in 31,063 cases there was no entitlement under the veterans' preference for service in either war. I also point out that of the 31,063, only 11,094 were male.

The minister, when asked a question as to what degree of permanence this amendment was designed to cover, indicated that it is merely temporary.

Mr. ABBOTT: It is purely enabling.

Mr. DIEFENBAKER: What was that answer?

Mr. ABBOTT: I said, it is purely enabling.

Mr. DIEFENBAKER: Oh, enabling—enabling the government to do one of the things I have pointed out, to get around the civil service commission for a period of two years in so far as the Department of National Defence is concerned. I suggest to the minister that the amendment indicates that very little thought was given to the subject. The matter of the purchase of munitions and the like had to be put somewhere, and they had a corporation that had the power to spend up to $10,000,000 out of the unappropriated moneys of Canada. They had a corporation, I say. It was never expected to be used for this purpose, and it was decided, "Oh, here is an opportunity to place it under an act totally unfitted to administer it, without the qualifications, so far as powers are concerned, placed in the act because of the fact that the government did not wish to set up the same men, if you will, with that power, who today constitute the Canadian Commercial Corporation."

I submit, sir, that the house is entitled to fuller information than it has received up to the present time. When somebody asked the minister a question as to when this had been decided upon, whether it was decided when the act was originally passed, the answer was to the effect that it was not the occasion then to tell parliament. In other words, when the Canadian Commercial Corporation was set up, apparently it was intended to bring under it the purchase of munitions. But, to use the words of the Minister of National Defence—words to this effect—it was not considered appropriate at that time to inform the house as to the position of affairs.

Mr. ABBOTT: I was Minister of National Defence at the time.

Mr. DIEFENBAKER: There has been such a continual shuffling over there that it shows a high degree of memory on the part of the minister—

Mr. ABBOTT: A high degree of efficiency.

Mr. DIEFENBAKER: —that, after shifting around so much, he can recall that fact. After so much shifting around, it is a tribute to the abilities in that direction of hon. gentlemen opposite that they can recall what office they held at a particular time. I would like to have the Minister of Trade and Commerce comment upon this matter when he speaks. Why is it necessary to have appointments made which are not within the ambit of the civil service commission?

Hon. DOUGLAS ABBOTT (Minister of Finance): Mr. Speaker, I do not wish to prolong the debate, but I do want to say a word because the matter of defence purchasing arose during my tenure of office as Minister of National Defence. While I was in that portfolio the permanent officers pointed out to me that unless some means were found of perpetuating the system which had been followed during the war it would be necessary to recreate a complete purchasing section of the Department of National Defence. In the meantime the personnel had been dissipated, a good many of them had been dispersed, a good many in the Department of Munitions and Supply, and it would be a very difficult task to reconstitute that department. I came to the

conclusion that it would not only be difficult but would be extremely inefficient, and it seemed to me that if it were possible, the system followed during the war should be continued, of a separate government agency to handle defence purchasing.

No one can tell me that the purchasing of supplies, food, screenings, textiles and the thousand and one things that go into the supplying of the armed forces, has to be done in the Department of National Defence. It is essentially a commercial business operation. That organization existed under munitions and supply.

Mr. DIEFENBAKER: What about the building of projects?

Mr. ABBOTT: As regards the building of projects, as the Minister of National Defence pointed out, if the contract was to be left to an outside contractor during the period of the war, that contract was let through the contracts branch of the Department of Munitions and Supply. We had no contracts branch in the Department of National Defence. If it was to be done by the defence department then its own engineers would do the work. It was felt that some central agency of government other than the Department of National Defence could do defence purchasing. When the Canadian Commercial Corporation was created a large portion of the personnel of the purchasing branch of munitions and supply was transferred to that department.

So far as I am concerned, I am not now debating the merits or demerits of forming the corporation. That was debated in this house before. But the defence department, faced with the necessity of creating another purchasing branch, of reconstituting a purchasing branch, looked about for an agency of government which could do that purchasing for it. The Canadian Commercial Corporation, under the direction of the Minister of Trade and Commerce, had a ready-made agency to do the work, and in my view that was the place to turn to. If the Canadian Commercial Corporation is wound up at the end of another two years, when its charter powers lapse, it may be that a purchasing branch will have to be created under the Minister of Trade and Commerce or some other minister to handle purchasing. But in the meantime we have an efficient existing agency which can do this defence purchasing, and it seemed to me that it was very much the course of common sense to allow it to do the work. That was the purpose of this bill.

Mr. GREEN: May I ask the minister a question?

[Mr. Abbott.]

Mr. ABBOTT: Yes.

Mr. GREEN: Does the Canadian Commercial Corporation do any purchasing other than defence purchasing?

Mr. ABBOTT: I am afraid I cannot answer that. May I add that as Minister of National Defence I did not care what agency did the purchasing so long as it was done efficiently. I looked around my colleagues and this agency was in existence under the direction of the Minister of Trade and Commerce, and there was no other available agency. The alternative was to allow that agency, which was there in existence and efficient, to do the purchasing, or to create a completely duplicating agency in the national defence department. To me that was rubbish, sheer rubbish.

Mr. C. C. I. MERRITT (Vancouver-Burrard): The minister has put his finger on what is wrong with this bill. He said he looked around and did not care who did it so long as it was done efficiently.

Mr. ABBOTT: Right.

Mr. MERRITT: I think the government has treated this whole matter in that light. They did not care who did it as long as, in their opinion, it was done efficiently. In this debate already we have had discussed the temporary character of the Canadian Commercial Corporation and the effect of this practice upon the continuation of our civil service as we know it, and we have had the suitability of this corporation to conduct building as well as purchasing operations thoroughly discussed. I am not going to detain the house except to make one quite short point.

The Minister of Finance (Mr. Abbott) has just said that he had to look around for some department of government to take over the duties in this connection performed during the war by the Department of Munitions and Supply. One of the chief troubles here is that he had not found another department of government, but rather a crown company, the Canadian Commercial Corporation, to do what was done heretofore by the department, and to do building which heretofore had been done by the Department of Public Works, and more recently by Wartime Housing Limited, and other agencies of the kind.

I find that most striking results flow from the use of this corporation. I hold in my hand the debates of the last session of parliament, particularly those of August 5, 1946, where the Minister of Trade and Commerce (Mr. MacKinnon) was being asked questions with respect to section 11 of this act. At

page 4335 of *Hansard*, when explaining why he required certain powers set out in the section, he said:

I shall endeavour to give a layman's explanation, from information given to me. I believe this additional authority is required to enable the officers of the company to engage and to dismiss staff; and further, they are given the power to purchase other than by tender, which may not be according to legislation governing government purchases.

Later, at page 4336 he said:

One of the things that comes to mind is the procedure in connection with tendering and entering into of contracts.

At that time he was referring to changes from normal procedure of government. I suggest this is a good example of lack of care taken by the government in devising this legislation and in making a decision as to what was to be done. If a principle like that is to continue, we may be going some way not only toward the breaking down of the civil service, with respect to which much has been said, but also toward the breaking down of a very important principle in the letting of government contracts, namely, the calling of public tenders.

I have looked into the record of the debate which took place in 1939 when the defence purchasing board was set up. At page 1764 of the debates for 1939 I find that the then Minister of National Defence, the present Minister of Veterans Affairs (Mr. Mackenzie) was at some pains to praise the government, himself and his bill for the care which had been taken to insist upon the calling of tenders in connection with purchasing. I read this from his speech, as it is reported at the top of the second column on the page to which I have referred:

The bill lays down as a cardinal principle that where competitive bidding is practicable there shall be competitive bidding by advertisement in the public press. The bill also lays down that as far as possible the purchases shall be made in the dominion of Canada. If it is considered necessary to purchase outside of Canada the board must report to the government, giving its reason therefor. If, after competitive bidding, the board deems it not in the public interest to award the contract to the lowest bidder, the act requires that it shall report to council giving its reason therefor.

Several pages were taken up giving statistics as to the number of contracts let by the minister by public tender in the years before the war.

When one puts alongside each other the policies of the government in 1939 and those in 1947 with respect to the letting of contracts for defence purchases and for building, he can see the direction in which we are travelling; and that direction apparently is not limited alone to the setting up of a new civil service procedure, but also relates to other equally important ways of conducting public business.

When I now hear that this corporation is going to build or reconvert barracks for the housing of families in the service, and when I remember that one of the express purposes of the act is to get away from the necessity of calling for tenders, I cannot help thinking of the experience we have had under the Veterans Land Act and the excessive costs which have been occasioned in the conduct of that scheme by the government. I cannot help thinking that it would be sound practice to get back to the system of public tenders, which the government liked so very much in 1939, and that we ought to adhere to that system.

Mr. DEPUTY SPEAKER: When the minister speaks he will close the debate.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker, I have listened carefully to comments respecting this legislation from all parts of the house, but possibly more carefully to the criticism from the official opposition.

As Minister of Trade and Commerce I have been administering this act for about six months, and if I have understood correctly the criticism offered this afternoon against this legislation I must say it describes an act which I could not recognize.

I can assure the house that the Canadian Commercial Corporation has been functioning actively, not under the remote control, but under the direct control of the Minister of Trade and Commerce, and that it has been operating efficiently; indeed so much so that I believe there is no one in the house who can say there has been one scintilla of criticism against any of the actions of the corporation, due largely to its capable personnel headed by Mr. Low, and the close contact which the deputy minister of trade and commerce and I have kept with the work of the organization.

I can assure the house that the corporation is not operating as a loose end of government, but rather in a businesslike way and under the direct supervision of the department. My colleagues, the Minister of National Defence (Mr. Claxton) and the Minister of Finance (Mr. Abbott) have dealt with most of the criticism offered. However I should like briefly to refer to some observations made by hon. members.

The hon. member for Carleton (Mr. Boucher) spoke about the legislation being effective for only two years. I have a distinct recollection of being complimented, when the

legislation was placed before the house, upon the fact that we were asking authority for only two years—

Mr. GREEN: That was for a different purpose.

Mr. MacKINNON: —so that we would then have to come back to parliament for any extension.

Mr. BOUCHER: A different company and a different purpose.

Mr. MacKINNON: This bill provides for a minor amendment for the purpose of enabling the Minister of Trade and Commerce to use the Canadian Commercial Corporation as an agency for the purchasing of supplies and the execution of works on behalf of the Department of National Defence. This legislation will make possible the efficient and economical purchase of goods and materials and the carrying out of projects required by the Department of National Defence.

Various hon. members expressed concern over the treatment that civil servants would get from the Canadian Commercial Corporation, but I can assure hon. members that in the engagement of staff the veterans preference is observed to the full.

Mr. BOUCHER: How many veterans are in the employ of the Canadian Commercial Corporation?

Mr. MacKINNON: Including the staff taken over from the Minister of Reconstruction, thirty-two per cent of the staff have war service records. The organization was largely taken over as an effective working branch of the Department of Reconstruction.

Mr. GREEN: What is the total staff?

Mr. MacKINNON: I cannot give those figures now; I think they could be given more readily when the officials are before me. It was suggested that the Canadian Manufacturers' Association was critical of this legislation, but if it was I have not heard one word of criticism from them—

Mr. BOUCHER: Not a word was said about them.

Mr. MacKINNON: —or from any other organization having to do with commerce and production. As my colleagues have pointed out, the alternative to this legislation would be a more expensive and cumbersome purchasing organization. This is not a one-man corporation. It is true that Mr. Low, who was employed in a purchasing capacity for one of our great national projects, the Canadian National Railways, has been willing to head this organization and, because of his public spirit, we are to have the benefit of his great experience. He has in this department built up a staff of experts without any consideration for political patronage or political complexion.

Mr. MERRITT: The minister wants to take everything on trust.

Mr. MacKINNON: The hon. member for Lake Centre (Mr. Diefenbaker) referred to the legislation, and I can assure him that it has received the close attention of the law clerks of the Senate and the House of Commons and has been approved by the Department of Justice.

Mr. DIEFENBAKER: Was the point which I raised indicated to them?

Mr. MacKINNON: I did not have the point raised by the hon. member at the time, but the whole legislation was before the department. The statement was made that this legislation constituted a deliberate effort to circumvent the civil service commission. All I can say is that there is no truth in that. I do not think there would be any objection on the part of the employees or of the department to having the whole organization come under the control of the civil service commission.

Mr. DIEFENBAKER: Repeal that section then.

Mr. BOUCHER: Why that section in the bill?

Mr. MacKINNON: It was necessary to secure expert employees to do specific work. Even if the whole matter were under the civil service commission, I think the commission would be glad to cooperate in having certain key men selected by those qualified to select such men.

Mr. BOUCHER: Will the minister delete that section in the bill?

Mr. MacKINNON: No. In his opening remarks the hon. member for Nanaimo (Mr. Pearkes) said that he considered part of this legislation a means of making possible centralized buying in an economical way. That is to be the effort of the corporation and the department.

Mr. PEARKES: I did not give the same approval to the matter of construction projects that I did to the general purchasing. I understood the Minister of National Defence to say that when work was to be done outside by contract the corporation would let the contract. When the Department of Public Works did that they had a supervisory staff

which saw that the work was carried out according to specifications. Is it the intention of the corporation to establish a supervisory staff to supervise work let out by tender in order to see that it is carried out according to specifications, or will they turn that supervisory work over to the Department of Public Works?

Mr. MacKINNON: That question could better be asked while the officials are before me, but I would think the Canadian Commercial Corporation would have the benefit of the necessary supervisory staff from the Department of National Defence. I believe the corporation could either let a contract through or arrange with the Department of Public Works to do certain projects, or let it to a private company or corporation.

The house divided on the motion (Mr. MacKinnon), which was agreed to on the following division:

YEAS

Messrs:

Archibald
Argue
Arsenault
Ashby
Baker
Beaudoin
Beaudry
Belzile
Benidickson
Bentley
Bertrand (Laurier)
Bertrand (Prescott)
Blackmore
Blanchette
Bonnier
Bourget
Bowerman
Bradette
Bridges
Brown
Bryce
Burton
Campbell
Caouette
Chevrier
Claxton
Cleaver
Cloutier
Coté (Matapedia-Matane)
Coté (Verdun)
Croll
Cruickshank
Denis
Dion (Lake St. John-Roberval)
Dorion
Eudes
Fair
Farquhar
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gardiner
Gariépy
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Hamilton West)
Gladstone
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Hamel
Hansell
Harris (Grey-Bruce)
Hartt
Herridge
Hlynka
Ilsley
Isnor
Jaenicke
Jean
Johnston
Jutras
Kirk
Knowles
Kuhl
LaCroix
Lafontaine
Langlois
Lapointe
Laurendeau
Leger
Low
McCann
McCuaig
McCubbin
McCulloch (Pictou)
McCullough (Assiniboia)
McGarry
McIlraith
MacInnis
McKay
MacKinnon
MacLean
MacNaught
Maloney
Marquis
Matthews (Brandon)
Matthews (Kootenay East)
Maybank
Mayhew
Mitchell
Mullins
Mutch
Nicholson
Parent
Picard
Probe
Quelch
Raymond (Wright)
Reid
Richard (Ottawa East)
Rinfret
St. Laurent
Shaw
Sinclair (Vancouver North)
Sinnott
Smith (York North)
Stuart (Charlotte)
Strum, Mrs.
Townley-Smith
Tremblay
Viau
Warren
Whitman
Winkler
Winters
Wright
Wylie
Zaplitny—119.

NAYS

Messrs:

Adamson
Black (Yukon)
Blair
Boucher
Bradshaw
Charlton
Church
Coyle
Diefenbaker
Drope
Fleming
Fraser
Gibson (Comox-Alberni)
Graydon
Green
Harkness
Hatfield
Henderson
Hodgson
Homuth
Jackman
Kidd
Lennard
Lockhart
Macdonnell (Muskoka Ontario)
McGregor
McMaster
MacNicol
Menary
Merritt
Murphy
Robinson (Bruce)
Ross (St. Paul's)
Ross (Souris)
Senn
Stanfield
Stephenson
Stirling
Stokes
Timmins
Tustin
White (Middlesex East)—42.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

On section 1—Corporation empowered to exercise powers of the minister in respect to national defence department requisitions.

Mr. DIEFENBAKER: I again raise for the minister's attention the question as to whether or not it is not necessary that section 4 be amended in order to permit of the powers being tacked on that are provided for in the new section 17. I do not desire to repeat the argument that I advanced before, but I do want the minister to give consideration to the lack of powers contained in section 4, in which are set out the purposes of the Canadian Commercial Corporation. At the expense of reiteration I point out this, and I am just reading the pertinent portions:

The corporation is established for the following purposes:

(a) to assist in the development of trade between Canada and other nations—

By no stretch of the imagination does section 17 come within the purview of those words.

—and (b) to assist persons in Canada

(i) to obtain goods and commodities from outside Canada; and

(ii) to dispose of goods and commodities that are available for export from Canada.

I point out that section 17 again does not come within those provisions. Someone might suggest that subsection 2 gives that power. Subsection 2 reads:

The corporation shall comply with any general or special direction given by the governor in council or the minister with reference to the carrying out of its purposes.

The only power which the minister has is a direction to the corporation to do those things which come within the limitations set out under the side note of "purposes". Section 5 also might be read:

(1) The corporation may do such things as it deems expedient for, or conducive to, the attainment of the purposes set forth in section four of this act.

Therefore I suggest that that section will have to be amended before the new section 17 can be brought into being, because in no way are the purposes alike, analogous to or cognate with the purposes as set forth originally in the act. I suggest that this matter has not been considered by the law officers. It looks very much as though, having no place at all to go, they decided to do certain things under the Canadian Commercial Corporation Act, and sections were added which cannot be read as being within the purview of the purposes for which the act was set up. I suggest once more that the law officers be consulted, not those who are trying to get the powers and not those who might be willing to exercise powers they may have been granted by parliament without parliament having the power to grant them.

Mr. MacKINNON: The powers under which the Minister of Trade and Commerce is acting in connection with this legislation are those which were given to the Minister of Reconstruction and Supply and transferred from him to the Minister of Trade and Commerce. Up to and at the present time the employees of the Canadian Commercial Corporation have been acting as agents for the Minister of Trade and Commerce. As I have already said, this legislation has been before the law clerks of both the Senate and the House of Commons, and has been considered by the Department of Justice. I have no doubt they took into account the point to which reference has been made.

[Mr. Diefenbaker.]

Mr. DIEFENBAKER: That still does not meet the point. No doubt they did. But there have been other occasions when the same answer has been given, and when it was later found not to be the fact. I am trying to be helpful, and I want to find out if we are not being placed in a position of passing an amendment which is inapplicable. As a matter of fact, the minister says he is acting under powers which the Minister of Reconstruction and Supply had and which had been transferred to him; yes, transferred under an order in council, whether the minister had power to transfer or not.

Mr. MacKINNON: Under the Transfer of Duties Act.

Mr. DIEFENBAKER: Yes, under the Transfer of Duties Act, but that still does not cover this situation. The order in council no doubt covers the situation exactly. Has the minister the order in council? If so, will he read it?

Mr. MacKINNON: Does the hon. member wish the whole order in council read? It is not very long.

Mr. DIEFENBAKER: Yes.

Mr. MacKINNON: I shall leave out the heading. It reads as follows:

Whereas by virtue of the provisions of the Department of Reconstruction and Supply Act, 1945, and the Department of Munitions and Supply Act, the power, duty and function to buy or otherwise acquire, manufacture or otherwise produce munitions of war or supplies and construct or carry out projects required by the Department of National Defence is vested in the Minister of Reconstruction and Supply;

And whereas it is expedient and in the public interest that such power, duty and function should be transferred to the Minister of Trade and Commerce on February 1, 1947;

Therefore His Excellency the Governor General in Council, on the recommendation of Right Hon. W. L. Mackenzie King, the Prime Minister, and under and by virtue of the provisions of the Public Service Rearrangement and Transfer of Duties Act, is pleased to order and doth hereby order that the power, duty and function vested in the Minister of Reconstruction and Supply under the Department of Reconstruction Act, 1945 and the Department of Munitions and Supply Act, to buy or otherwise acquire, manufacture or otherwise produce munitions of war or supplies and construct or carry out projects required by the Department of National Defence be transferred to the Minister of Trade and Commerce on the first day of February, 1947.

His Excellency in Council is further pleased, hereby, to authorize the Minister of Trade and Commerce, for the purpose of carrying out such power, duty and function to make use of the services of the officers and servants of the Canadian Commercial Corporation and to authorize such of the officers of the corporation as he may select to sign documents on his behalf.

Mr. STIRLING: It is quite clear that the order in council empowers the Minister of Trade and Commerce to do certain things as covered by this bill, but it does not seem to me that it empowers the Canadian Commercial Corporation, which was set up under an act of 1946, to do certain things; that is, purchase the requirements for the Department of National Defence, when it has not the power under the act to make those purchases. Under the act of 1946 the Canadian Commercial Corporation was not empowered to buy a cedar pencil for any department of government, but this amending bill is purporting to hand to the Canadian Commercial Corporation the duty of purchasing for a specified department.

Mr. MacKINNON: No; as agent or on behalf of the Minister of Trade and Commerce.

Mr. STIRLING: Then surely it should be in the purposes of the act setting up the corporation that this is one of the duties the corporation can carry out.

Mr. MacKINNON: Why?

Mr. STIRLING: Because the act sets out the powers that will devolve upon the Canadian Commercial Corporation.

Mr. CLAXTON: May I point out that the Canadian Commercial Corporation is not making contracts at all. The contracts are made in the name of the crown acting through the Minister of Trade and Commerce. The Canadian Commercial Corporation includes employees of a crown company who are asked by the minister to call for tenders, and then that machinery is followed. The actual contracts are made by the minister in virtue of the transfer of duties from the Minister of Reconstruction and Supply. Everything is completely, technically and accurately legal, as well as being good sense.

Mr. GREEN: Surely the Transfer of Duties Act does not go so far as to override an express statute. This statute establishing the Canadian Commercial Corporation gave that corporation certain powers.

Mr. ABBOTT: This adds to them.

Mr. GREEN: But I submit that no order in council can then be passed under the Transfer of Duties Act which gives this corporation, as distinct from the minister, any additional powers.

Mr. CLAXTON: Not at all.

Mr. GREEN: And I cannot see why the ministers are so determined not to amend this act to give the corporation the power they want it to exercise.

Mr. ABBOTT: We are really getting involved in a legal argument here. The position is that the Minister of Reconstruction and Supply, with the approval of the governor in council, has transferred the purchasing functions he formerly had to the Minister of Trade and Commerce. That is something completely separate from this bill, something having nothing to do with this bill. The Minister of Trade and Commerce, as a minister of the crown, has asked that the Canadian Commercial Corporation Act be amended to give the corporation the power to act in his behalf in these purchases. As I say, here is where we get into the legal argument. The hon. member for Lake Centre takes the stand that the Canadian Commercial Corporation, which is an existing statutory company—and I emphasize the words "statutory company"—has not the general powers which every statutory company has. This is set up as a separate part of the statute creating the Canadian Commercial Corporation. I am now expressing a legal opinion which may or may not be right, but I believe part II, if enacted, and section 17, which will form part of part II, confers upon the Canadian Commercial Corporation the power to act in the capacity described in the section, no matter what is said in any other section of the act, as long as it does not contradict it. That is a legal opinion, it is true, and it may be wrong; but I think there is a fair presumption that the deputy minister and the officials of the Department of Justice took that into account when they passed upon the bill. As the Minister of Trade and Commerce has said, they do pass upon all these bills. I do not believe my hon. friend's legal point is well taken; but, of course, lawyers are bound to differ. We always do; that is why there are lawsuits, but that is the view I take of the proposed legislation. I think this company has all the powers a statutory company has; in effect pretty nearly all the powers of an actual person, as my hon. friend knows from the long list of cases, from the Bonanza Creek case on down.

Mr. GREEN: I would point out that not only does section 4 set out carefully and in detail the purposes for which the Canadian Commercial Corporation is set up, but that section 5 sets out the powers.

Mr. ABBOTT: And this adds to the powers.

Mr. GREEN: In subsection 1 you find powers having to do only with export and import trade; nothing there goes any farther than that. Then subsection 2 provides:

> The generality of subsection one of this section is not restricted by any provision of this act other than section four thereof.

That throws you back to section 4, which sets out the purposes. What is the objection to putting in a few words, at the end of either section 4 or section 5, making it perfectly clear that the corporation has the power it is now sought to give it? Then the legislation would be clear.

Mr. McMASTER: I should like one of the ministers to tell the committee who does the buying for the Minister of National Defence at the present time.

Mr. CLAXTON: The Minister of Trade and Commerce.

Mr. McMASTER: Under what power; and what is the extent of that power?

Mr. CLAXTON: Under the order in council the Minister of Trade and Commerce just read, under the Transfer of Duties Act.

Mr. McMASTER: Is that the only way they can get that power?

Mr. CLAXTON: Yes.

Mr. FRASER: When the Minister of National Defence was speaking he said they had under way a very large project in connection with the construction of houses for married men in the service. Will the cost of that project be charged to the defence department?

Mr. CLAXTON: Yes.

Mr. FRASER: Or will it be absorbed by the Department of Public Works?

Mr. CLAXTON: No; defence department.

Mr. FRASER: Then those costs will appear in the estimates of the defence department, and will come before parliament?

Mr. CLAXTON: Certainly. Every defence expenditure will be included in the defence estimates and will come before parliament. Every expenditure made through the Canadian Commercial Corporation in behalf of the defence department will come before parliament in the estimates of my department.

Mr. FRASER: That was not the case when the buying was done by the minister of supply; the estimates remained in that department.

Mr. CLAXTON: There is this difference, which I think my hon. friend will have in mind, that at that time the war expenditures were not included in the estimates but were covered by a war appropriation bill.

Mr. FRASER: Then I should like to ask where these houses are being built; are they at the different barracks across the country?

Mr. CLAXTON: I am afraid that is not a question which arises in connection with this bill. I shall be very glad to deal with it later.

Mr. FRASER: It does to this extent, that we want to find out whether these buildings are being put up by tender, or on a cost-plus basis, or how it is being done.

Mr. CLAXTON: The purpose of this bill is to enable the Canadian Commercial Corporation to do something which is now being done by the Minister of Trade and Commerce; it is not to vote money for the construction of houses. However I can tell my hon. friend that a great many different projects are under way in the three branches of the armed forces, designed to add to the number of quarters for married personnel. The need of married quarters is probably the greatest single need of the armed forces today. Over the last two years we have been doing a great deal of work, which falls into three categories. The first is the conversion of existing hutments into emergency dwelling units, and that is going on from end to end of the country wherever possible. The second is the conversion of existing buildings into temporary apartments, which cost a great deal more money and last a good deal longer. The third is the construction of new dwellings. The only place that is being done at the present time, as I remember it, is at Borden, where it is being done by the army itself, not by contract. But we have in course of preparation a considerable number of projects calling for new construction, and just as soon as those are processed a little further we shall ask the Canadian Commercial Corporation to obtain tenders from contractors for the construction of those houses. If they can get contractors to send in tenders on suitable terms, then the contracts will be entered into by the Minister of Trade and Commerce acting for the crown. The money will be provided out of the estimates of the Department of National Defence. The work of inspection, and the like, will be arranged for between the Canadian Commercial Corporation and the Department of National Defence.

Mr. FRASER: The minister said this was not the place to ask it; but this is the only

place we can get the information, because it will not be in the estimates of the Department of National Defence this year.

Mr. CLAXTON: It will be covered by the defence estimates. I shall be ready to give full particulars to the committee when the defence estimates come up, and when I shall have the information available.

Mr. FRASER: But they will not be in the estimates, so far as that goes. And if they are, when we come to them there is a chance they might be passed over.

Mr. CLAXTON: They will be passed over only if some member of the opposition does not raise the question, because the defence estimates are couched in a form which permits any member to raise any question.

Mr. GREEN: We will remember that.

Mr. FRASER: But they might be passed over, and I still say they are not included in the estimates.

Mr. CLAXTON: They are provided for in the estimates. I assure my hon. friend they are provided for in the estimates; and I have said this three times.

Mr. FRASER: I say they are not mentioned in the estimates.

Mr. CLAXTON: In the form in which the estimates are made up, if my hon. friend will look at item 275.

Mr. FRASER: They are not in the details.

Mr. CLAXTON: That item covers everything.

Mr. FRASER: Has the minister given any contracts so far on this?

Mr. CLAXTON: No.

Mr. CRUICKSHANK: They cannot get the nails yet.

Mr. FRASER: If the government cannot get them, nobody else can. Certainly we cannot get them in our district. Will Central Housing be asked to consider building these places?

Mr. CLAXTON: Yes.

Mr. MACDONNELL (Muskoka-Ontario): I rise not for the purpose of offering a legal opinion, but for the purpose of offering a comment with respect to lawyers. My observation is that the best lawyers are the most ready, if there is a weakness in draftsmanship, to make a correction. I am going back to what was suggested by the hon. member for Vancouver South, because I suggest earnestly that nobody, however strongly he feels that the present situation is valid, will suggest that it is the natural way of dealing with this situation. Surely the natural way is to put the powers clearly in section 4.

If I understood correctly the Minister of National Defence, he gave a quite different explanation of the way this was to act from the explanation given by the Minister of Finance; because, if I understood the Minister of National Defence correctly, he suggested that really it was individuals of the Canadian Commercial Corporation as such who were operating under the act.

Mr. CLAXTON: No, I never suggested that; I am sorry to make this correction. What I did say was that, pending the adoption of this bill, the Minister of Trade and Commerce had exercised functions previously exercised by the Minister of Reconstruction and Supply with regard to purchasing for the defence department, and that he had got officers and employees of the Canadian Commercial Corporation, acting in their individual and not in their corporate capacity, to do the job of calling for tenders for him.

Mr. MACDONNELL (Muskoka-Ontario): However that may be, I still suggest that the involved explanation as to how these powers find themselves entering by the back door in the Canadian Commercial Corporation Act could be entirely avoided if as was suggested by the hon. member for Vancouver South, an additional purpose were inserted in section 4. I think it would save a great deal of trouble in the future and would be the wise thing to do now.

Mr. CLAXTON: It is a long time since the hon. member for Muskoka-Ontario has actively practised law. But surely in his experience he would agree that it does not matter where you give power to a corporation in a statute creating it. You can do it in section 1, in section 4 or in section 17. It was considered that for the purposes of ease of draftsmanship and convenient reference it was preferable to put the powers with respect to the Department of National Defence in part II rather than in section 4.

Mr. DIEFENBAKER: Who considered that? When was that considered? Is the minister offering that as a serious answer?

Mr. CLAXTON: Of course, why should I not? It is a most sensible answer. There is nothing whatever in the suggestion that the powers of a corporation should all be gathered in a single section, whether it be section 4 or some other number. It happens, time after time, that powers of a corporation are put in

various places in a statute. I am sure if we had done it in any other way there would have been far more serious and more far-reaching objections than are being made at the present time. There would have been wide objections.

Mr. DIEFENBAKER: I should like to know what those wide objections would be. Can the minister suggest what objection could be taken to empowering the corporation under section 4, the section which sets out the powers, to do these things for which he now asks?

Mr. CLAXTON: I should like to ask my hon. friend or any other member in the committee what possible advantage there is in putting the powers in section 4 rather than in section 17. Let me tell him the reason why it is preferable to put them in section 17 rather than in section 4.

Mr. DIEFENBAKER: Yes?

Mr. CLAXTON: In the first place, that would require the reenactment, following our practice, of all of section 4. It would require the replacement of the whole article. That is the way it is done. When any word in a paragraph of an article is amended, the whole article is replaced. That would then mean that should this section have to be changed later, and should our experience not be such as it is expected it will be, the whole section would have to be replaced again. Instead of that, because purchasing is a major function of the Canadian Commercial Corporation though by no means the only function, it was considered desirable to put it in a separate part, so that the two main functions of the Canadian Commercial Corporation would each be dealt with in separate parts, could stand on their own feet and could be amended or repealed later as developments might suggest.

Mr. McMASTER: It seems to me that the draftsmanship leaves something to be desired. I should like to read the section, always bearing in mind that the minister spoken of is the Minister of Trade and Commerce. It states:

> The corporation may, as directed by the minister, exercise and perform on behalf of the minister, the power, duty and function vested in the minister to buy or otherwise acquire and manufacture or otherwise produce munitions of war or supplies for, and to construct or carry out projects required by, the Department of National Defence.

The powers given in this act are given to the Minister of Trade and Commerce. I should think that if supply were voted for any of the projects mentioned, that supply must be voted to the Minister of Trade and Commerce, not to the Minister of National Defence. The Minister of Trade and Commerce gets his power to do this upon being required so to do by the Minister of National Defence. I agree with what the minister has said about this corporation acting only as an agent, rather than in its own capacity. But surely the Minister of Trade and Commerce must be given power somewhere to do the things he asks his agent to do.

Mr. CLAXTON: He is given it under the Department of Reconstruction and Supply Act.

Mr. McMASTER: I understand it is under an order in council?

Mr. CLAXTON: It is under that act, and still is.

Mr. McMASTER: What is the number of it?

Mr. MacKINNON: It is chapter 16 of the Statutes of Canada for 1945.

Mr. DIEFENBAKER: Now we are getting down to the position where an explanation has been given as to why section 17 has been appended, instead of the powers being set forth in section 4. If I understood correctly, the reason given by the minister is that certain powers are granted to the Minister of Trade and Commerce under orders in council, and those powers the minister says he will not exercise, but that he will direct that they be exercised by the Canadian Commercial Corporation, which has not the power to do that which the minister purports the act empowers it to do. Supposing tomorrow another order in council is passed—

Mr. BERTRAND (Laurier): But the power is given by this special amendment.

Mr. DIEFENBAKER: The Postmaster General has the section before him and he will note that it reads:

> The corporation may, as directed by the minister, exercise and perform on behalf of the minister, the power, duty and function vested in the minister . . .

And so on. If tomorrow the Minister of Reconstruction and Supply has another order in council passed giving further powers to the minister, will he be permitted to exercise those powers through the agency of this corporation?

Mr. BERTRAND (Laurier): If it falls within one of the sections of this act.

Mr. DIEFENBAKER: Exactly; the Postmaster General has caught the point which his two colleagues were not able to get. I thank the Postmaster General for his cogent answer, because I have not been able to bring that home to his two colleagues.

Mr. CLAXTON: Have not been able to—

Mr. DIEFENBAKER: I have not—I beg your pardon?

Mr. CLAXTON: Go ahead.

Mr. DIEFENBAKER: I hope the minister is not endeavouring to place himself ahead of the Postmaster General as an outstanding counsel.

Mr. BERTRAND (Laurier): I wish the hon. member would state his point, because from the way he has started he is not going to land anywhere.

Mr. DIEFENBAKER: I can see that the ministers themselves do not agree. The Postmaster General has been most clear; he has stated that this corporation can discharge as agent only such powers as it has within the act.

Mr. CLAXTON: And so says the Minister of Finance; so says the Minister of Trade and Commerce, and so says the Minister of National Defence.

Mr. DIEFENBAKER: The Minister of National Defence is trying to exculpate himself from the difficult position he is in. It is clear to me now, but it took all this time to find out that there was some reason for doing this in this indirect way, doing something that has never been done before by the addition of another section. There is something hidden here and the minister is endeavouring to put it through in this indirect manner.

Mr. MacKINNON: No; nonsense.

Mr. BERTRAND (Laurier): How can the hon. member link what he has just said with the remark I made a few minutes ago?

Mr. DIEFENBAKER: I specifically absolved the Postmaster General, because apparently he does not know anything about the argument that took place earlier and the defence by the Minister of National Defence and the Minister of Finance. I have placed this matter before the committee, and apparently the minister is adamant. It now comes back to what I stated originally, that the reason the government is going about this in this indirect manner is to circumvent the provisions of the Civil Service Act in so far as defence purposes are concerned.

Mr. MacKINNON: Surely that is incorrect.

Mr. BOUCHER: Now that the minister has his officials before him, I wonder if he could answer some questions. How many employees are there in the Canadian Commercial Corporation at the present time? How many of those employees have overseas service preference? How many of them have permanent status under the Civil Service Act and the Civil Service Superannuation Act? How many are on loan to the corporation from private industry? How many are on loan from the Department of National Defence?

Mr. MacKINNON: The total number of employees in the corporation at the moment is 332. The number of employees enjoying overseas preference is fifty-six out of 184 male personnel. There are nine permanent civil servants on loan from the Department of National Defence, and there are four on loan from private industry, in this case the Canadian National Railways.

Mr. FRASER: That is an increase of 212 over May, 1946, is it not?

Mr. MacKINNON: I am told that is about right.

Mr. ROSS (St. Paul's): How many have been transferred from the Department of Reconstruction and Supply to the corporation?

Mr. MacKINNON: A total of 188 were transferred.

Mr. ROSS (St. Paul's): What else will they do besides purchasing for the Department of National Defence?

Mr. MacKINNON: By merging those transferred from the Department of Munitions and Supply and those who were in the employ of the Canadian Commercial Corporation, the corporation has been able to make a twenty-five per cent cut in the staff.

Mr. ROSS (St. Paul's): Why were they able to make a cut in the staff?

Mr. MacKINNON: By merging and reorganizing the two staffs.

Mr. ROSS (St. Paul's): Would the people who were transferred do other jobs besides purchasing for the Department of National Defence?

Mr. CLAXTON: Yes.

Mr. MacKINNON: As I am sure the hon. member knows, the corporation has been doing very considerable purchasing for the Department of National Defence. For instance, during the last couple of years it has been purchasing for foreign governments, and these transactions have run into hundreds of millions of dollars and have entailed a great deal of work.

Mr. ROSS (St. Paul's): You will not need as many people now to do purchasing for foreign governments and so on. Either there

were too many people in the corporation before, or there were too many people in the Department of Reconstruction and Supply who were purchasing for defence, or something else is wrong. I do not see how you could cut the staff twenty-five per cent.

Mr. BOUCHER: Are there any employees of the Canadian Commercial Corporation, other than the nine on loan from national defence, who are entitled to benefits under the Civil Service Superannuation Act or the Retirement Act? If not, has any other superannuation scheme been set up for the employees?

Mr. MacKINNON: There is one other employee only from another department who is in the permanent civil service. No superannuation policy has been set up, nor can there be except by approval of the governor in council, but I believe that some consideration has been given to the whole question and there is still the possibility of the organization being taken under the civil service commission.

Mr. BOUCHER: That being the case, since the salaries of those employees who are under the Civil Service Superannuation Act may be increased by the Canadian Commercial Corporation, will their contributions to superannuation and their benefits increase accordingly?

Mr. MacKINNON: These men are paid superannuation on the basis of their salaries in the department.

Mr. BOUCHER: Perhaps the minister did not understand my question. When these employees left the Department of National Defence I take it they were paying into the superannuation fund a percentage of their salaries; now, since they have gone to the Canadian Commercial Corporation, it is probable their salaries will be increased, and their contributions and benefits under the act will increase accordingly as civil servants. Will the same situation apply when they are working for a crown company and not for the government?

Mr. MacKINNON: All I can say is that the superannuation payments are based on the salaries they received in their old department.

Mr. BOUCHER: That does not make the situation clear.

The CHAIRMAN: Order. I do not think I should endeavour to limit the discussion on this bill, but it does seem to me that we are now going beyond the limits of the bill in discussing the civil service. The principle of the bill has been adopted on the second reading and now all discussion must be directly pertinent to the clause under consideration. I cannot see anything in clause 7 which would allow a discussion of the civil service.

Mr. BOUCHER: While I can see your viewpoint, Mr. Chairman, I do not think you exactly appreciate the fact that here we have certain personnel of one department of the government being taken over by the corporation. Provision was made by order in council and announced in the house some few months ago that the status of these employees under the Civil Service Superannuation Act would be maintained, and I was asking whether, since their salaries may be increased with the corporation, provision has been made for their contributions and benefits to be increased accordingly.

Mr. MacKINNON: I have nothing to add to what I have already said.

Mr. GREEN: I would ask the two ministers a question as to the present situation in regard to industry. It has always been of vital importance that there should be close liaison between the government and the industries that are to manufacture weapons. During the war that contact was maintained by the Department of Reconstruction, I presume, and before the war by the Department of National Defence. What is to be the arrangement under this change? Is the Canadian Commercial Corporation to keep in touch with those industries, or is there any responsibility on the Department of National Defence? I understood from the Minister of National Defence this afternoon that all his officers would do would be to decide what kind of equipment they wanted. But somebody must act as a liaison with industry. Is that responsibility to rest on the Canadian Commercial Corporation or on the Department of National Defence, and how is the responsibility to be met?

Mr. CLAXTON: That is still being developed along the lines I described when this matter came before the house in February and also this afternoon. Under this bill the Canadian Commercial Corporation will be primarily responsible for obtaining tenders for contracts. In addition, there are other functions in connection with the procurement of munitions, which are just as important and which, together with procurement, form part of the whole complex of industrial organization for war. There are four main aspects of that: standardization, industrial organization, inspection and procurement, and all must work very closely with research. We are setting up a series of agencies whereby the Department of National Defence, Canadian

Arsenals Limited, the Department of Trade and Commerce through one agency or another, the defence research board, and industry, probably represented in part through such agencies as the Canadian Standards Association and the Royal Canadian Ordnance Corps Association, will all be linked into cooperating groups which will enable industry to know what is likely to be expected both in peace time and in the event of an emergency, and which will enable the Canadian Commercial Corporation to know where it can get the materials, and which will enable the Department of National Defence to know that it can get the equipment and materials which are needed either in peace time or in war.

It is also intended that this organization or network of organizations will be susceptible of rapid and very great expansion and that the personnel necessary to do it will be planned and kept in touch with, so that there will be no time lag in getting the whole thing going should an emergency arise or in anticipation of an emergency. Our aim is that machinery will be ready to be used to meet the needs as they are anticipated from time to time. I can tell my hon. friend, because he is interested in this, that we are about to initiate discussions with representatives of industry having definite relationship to the kind of organization I have been describing here in general terms. It is not possible yet to go farther than that, because we want to consult with industry very frankly and to get their views before laying down lines. If that is done we hope to create an organization to enable the whole job to be done rapidly and efficiently.

Mr. GREEN: Would it not be more efficient if there were only one body doing that work rather than having it divided up between the Department of Trade and Commerce and Department of National Defence as the minister has outlined?

Mr. CLAXTON: It was not done by the defence department in war, and our thought is that it is of fundamental importance that we should maintain in peace time an independent civilian organization which is capable of being expanded to meet the needs of an emergency in war. Therefore we shall keep in existence in peace time the nucleus, for the future department, of a department of munitions and supply, should that be needed in war time.

Mr. GREEN: Why are sections 9 and 10 of the Canadian Commercial Corporation Act not made applicable to part II? These are the sections that give the right to sue the corporation.

Mr. CLAXTON: The corporation does not act under part II in its own behalf; it acts only as an agent for the crown.

Mr. FRASER: The Canadian Commercial Corporation had a $4 million operating fund. Is any of that left, or have you had to call on the consolidated revenue fund for more money?

Mr. MacKINNON: The only amount that we have had is a working capital of $2,500,000, which is still on hand.

Mr. FRASER: That fund will be used to operate this?

Mr. CLAXTON: No, not at all.

Mr. STIRLING: I should like to ask the Minister of National Defence whether the final inspection of the requirements of his department will rest in his hands before he accepts the results of the contract.

Mr. CLAXTON: Yes. The inspection board machinery has been transferred to the Department of National Defence. We are in process of reorganizing that on a post-war basis. I cannot make a categorical answer to my hon. friend yet. With regard to ships, aeroplanes, major weapons, projectiles, ammunition, I think the answer will be that the final inspection will be by the officials of the Department of National Defence just as it has always been. With regard to matters of a more routine nature, barrack room stores, supplies and clothing which really require the application largely of civilian standards and practice, the matter has not yet been determined whether it will be under defence or under some agency of trade and commerce.

The CHAIRMAN: The following amendment has been handed to me. Moved by Mr. Claxton:

That "An act to amend the Canadian Commercial Corporation Act" be amended as follows:

(1) Insert the following as clause one of the bill—

"1. The Canadian Commercial Corporation Act, chapter forty of the statutes of 1946, is amended by inserting the following heading immediately preceding section three thereof:

Part I"

(2) Delete lines four, five and six and substitute the following:

"2. The said Act is further amended by adding the following Part thereto:"

(3) Insert the following as clause three of the bill:

"3. The said Act is further amended by renumbering clause seventeen as clause nineteen."

(4) For "2" substitute "4" in line sixteen.

Amendment agreed to.

Sections as amended agreed to.

Bill reported, read the third time and passed.

TAX AGREEMENTS

COMPENSATION TO PROVINCES IN LIEU OF INCOME AND OTHER TAXES

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

That it is expedient to present a bill to authorize,

(a) The Minister of Finance, on behalf of the government of Canada, to enter into agreements with the governments of the provinces to provide, subject to terms and conditions to be agreed upon, that in consideration of the said governments agreeing not to levy income tax, corporation income tax, corporation tax or succession duties for a period of five years ending on December 31, 1951, or any lesser period ending upon the said day, the government of Canada will pay compensation to the said governments; and

(b) The Minister of Finance to pay to the government of each province one half of the 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 in respect of income of the corporations derived from the said distribution or generation in that province during the period commencing on January 1, 1947, and ending on December 31, 1951.

Motion agreed to and the house went into committee, Mr. Macdonald (Brantford City) in the chair.

Mr. ABBOTT: This resolution is pretty well self-explanatory. With the permission of the committee I shall furnish such detailed information as I have to give on second reading of the bill when the house will have the terms of the bill before it.

Resolution reported, read the second time and concurred in. Mr. Abbott thereupon moved for leave to introduce Bill No. 411, to authorize the government to enter into agreements with the governments of the provinces pursuant to which, in return for compensation, the provinces agree to refrain from levying certain taxes for a limited period.

At six o'clock the house took recess.

After Recess

The house resumed at seven o'clock.

SUPPLY

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

DEPARTMENT OF TRANSPORT

402. Departmental administration, $544,000.

Mr. BENTLEY: Before we go on to the itemized parts, I wish to say that I have been looking through these items and do not see a particular place for any railway construction at all in Saskatchewan. So I shall have to take advantage of the first item to deal with the matter that I wish to bring to the minister's attention. It has to do with that unoperating section of the branch line which runs from Gravelbourg to Swift Current, but ends for operational purposes at Neidpath, a hamlet about thirty miles east of Swift Current. While most of the track, or all of it is laid, it is still called "under construction", and no service is given to the people in that thirty-mile gap. Most of that gap lies within the rural municipality of Coulee, No. 136.

Hon. LIONEL CHEVRIER (Minister of Transport): What is the name of the line?

Mr. BENTLEY: It is the Canadian National branch line from Moose Jaw, down through Gravelbourg, Neidpath and that section. I do not think it has any particular name. If it has I do not know of it. It is just part of the Canadian National system. The people in there are quite concerned about getting a railway service, because, while trucking services are fairly general, all the roads and highways do not lend themselves to some of the rapid movement which is required for larger bulk shipments. The secretary of the municipality has written a letter to the president of the Canadian National Railways, embodying a resolution which was passed by the municipal council, and a copy of which was sent to me. The letter was written on May 5, so that the Canadian National Railways have had quite a bit of time to consider this matter. I think I will put the resolution on the record. It reads:

That some action be taken by the executive of the Canadian National Railways to do away with the term "under construction" when referring to the portion of the Gravelbourg-Neidpath (extension) subdivision—

That is the name of it, I expect.

—being approximately 29·75 miles located between the hamlet of Neidpath and the city of Swift Current, and that a regular train service be instituted on this portion of this line. A copy of this resolution be forwarded to the federal member for Swift Current constituency.

I want to give the minister a little bit of statistical information about that part of the country so far as it relates to the rural municipality of Coulee. There are approximately 158 farmers in that area, which has a total acreage of 93,652 acres, 55,378 acres of which are cultivated. The assessed value is

[The Chairman.]

$747,218. The cars loaded in the last four years are as follows, and they would be mostly of grain and live stock:

Year	Cars loaded
1943	161
1944	188
1945	116
1946	68

During the same years the number of cars of fuel shipped in were as follows:

Year	Cars of fuel shipped in
1943	17
1944	10
1945	14
1946	8

I wish to point out that those amounts simply represent what had to be done by the railroads. More would have been done if the railroads could have been depended upon. Of course, for fast movement of some of these things, trucks have to be used even though they may not be as economical as the railroad would be.

I should also like to point out that quite a large area in the rural municipality of Excelsior, No. 166, is also tributary to this line, but the secretary of the municipality who sent this resolution did not have the exact figures on that and I have not been able to get them. But for that portion of Excelsior which is in the area, the same kind of figures would be applicable as those I have mentioned. I know that the minister and the management of the Canadian National Railways have plenty of difficulties on their hands, but this piece of line has been under construction for a long time; and I believe these people are entitled to a measure of consideration just as soon as possible. There was a time when there was quite an extensive plan being contemplated with regard to railroad building. This line would have connected at Swift Current and gone north to Stewart Valley, and they hoped it would go across the river and up toward Elrose and that country, joining with other branches crossing the country east and west. Those plans have not as yet been carried out, and I do not know whether they ever will be, but certainly this piece of line should be given some considerable priority on the list of new operation.

Possibly the minister will find that one of the difficulties in the way of putting this line into operation, even though the line itself is finished, is the trouble the Canadian National have had in getting yard space from the Canadian Pacific, which has a terminal point, a roundhouse and extensive yards at Swift Current. I should like the minister to give that point serious consideration with a view to overcoming that obstacle and putting the line into operation. I would point out that no great amount of construction work is required. It is possible now to put trains over that line. Occasionally they do run a train, for some special reason, up as far as a little elevator point called Burnham, which is a little west of Neidpath; and the only thing required would be some reconditioning of the road to give service down from Moose Jaw to Gravelbourg and right into Swift Current to the people in that section of the country. They are not asking for expensive new construction, but simply that this line, which is "under construction" according to the books but actually ready for use, be put into operation.

Mr. PINARD: At the beginning of this session I inscribed upon the order paper a resolution which I was not able to discuss because, as was the case with many other resolutions of the kind, the time was devoted to more urgent matters. So today I am pleased to have this opportunity to discuss the matter mentioned in that resolution, which is the abolition of tolls on the Jacques Cartier and Victoria bridges in the vicinity of Montreal. In the resolution I asked this house to express the opinion that these tolls should be abolished.

Mr. ROCH PINARD (Chambly-Rouville): At the beginning of this session I inscribed upon the order paper a resolution which I was not able to discuss because, as was the case with many other resolutions of the kind, the time was devoted to more urgent matters. So today I am pleased to have this opportunity to discuss the matter mentioned in that resolution, which is the abolition of tolls on the Jacques Cartier and Victoria bridges in the vicinity of Montreal. In the resolution I asked this house to express the opinion that these tolls should be abolished.

First, I might express the view that this matter falls within the competence of both the central power and the government of the province of Quebec. It comes within the competence and jurisdiction of the province, because everything having to do with thoroughfares and highways falls within the domain of the provincial legislatures. The construction of bridges as well as the maintenance and construction of roads are matters solely within the jurisdiction of the provincial governments, and it is up to them to legislate in this regard. It is their duty to organize the highway systems of their province, and such highway systems remain exclusively under their control. I think it is also important to recognize that in matters of this kind any conflict between the central power and the provincial legisla-

ture must be avoided, since interference by the central power in such matters could produce disastrous results. So it is up to the authorities of the province of Quebec to solve any problem which may arise from the existence and maintenance of tolls on bridges used by the general public. It was, of course, the government of Quebec under a Liberal administration that abolished tolls on all bridges which were the property of the province. When there were bridges which were not the property of the province, the owners of which collected tolls, the provincial government intervened, as was its privilege and also its duty. Such bridges were expropriated, as was the case in connection with what were known as the Bellefeuille and Plessis-Belair bridges. Following this procedure, tolls on those bridges were abolished, and the public finally obtained free access to them.

The same reasoning should be applied to the present case, and it is up to the provincial government to solve the problem of tolls on the Victoria and Jacques Cartier bridges. It is the duty of the government of that province to enter into negotiations with the central power to find ways and means of abolishing these tolls. For instance, the provincial government might very well follow the suggestion, which has been made time and again, that is, to offer to purchase the Jacques Cartier bridge at its present value. Of course the province should not be asked to pay the actual cost of construction, or the replacement value of the bridge. What should be paid is the actual present value, taking into account the condition of the bridge and the revenues derived by its owners. If the government of Quebec has not intervened it is because it has failed in its obligation to the population affected by this situation, or because it does not wish to put an end to the collection of tolls on the Jacques Cartier and Victoria bridges.

This question has been raised often in the provincial legislature. On the last occasion, when it was raised by a member of the opposition, the government of that province took the attitude, which it has taken time and again in other matters, that it would do nothing at all. It will surprise no one if I say that the government of Quebec gave its answer through its almightly leader, the all-powerful Hon. Maurice Duplessis. Since the government of that province seems to be more or less a one-man government, and since that man does not happen to be Hon. Mr. Talbot, minister of highways, of whom the question was asked, the premier himself, speaking in the name of all the members of his cabinet, took the attitude that nothing would be done.

Since the initiative was not his, he replied by declaring that the solution of such a problem was of no interest to him. When a question to be decided is within the competence and authority of the Quebec legislature he would like to decide it by himself; but when such a question does not give him an opportunity to play politics the premier of Quebec ceases to shout about the rights and autonomy of his province. Since he could not resolve this difficulty, he resorted to his habitual method of playing politics and took the attitude that nothing at all could be done. So that once more the government of Quebec refuses to cooperate with the central power, and this question of abolishing tolls on the Victoria and Jacques Cartier bridges remains unsolved.

But as I said before, Mr. Chairman, the matter also falls within the jurisdiction of the federal government, because the two bridges of which I am now speaking are indirectly the property of this government since they are under the administration of two central bodies, the national harbours board and the Canadian National Railways. The Victoria and Jacques Cartier bridges are known and used by a great number of persons in the city of Montreal and the surrounding district, and, of course, by a great number of tourists who come to the province of Quebec each year. For those who live in the region of Montreal there is a popular way to describe these bridges. When one refers to the Victoria bridge he would refer to the old bridge, and when he refers to the Jacques Cartier bridge he would mention the new bridge. I think those expressions are not entirely accurate, because the Jacques Cartier bridge has now been in operation for more than seventeen years. Of course the expression is accurate when used with reference to the Victoria bridge, because it has been in operation since 1860.

I wish to discuss the Victoria and Jacques Cartier bridges separately, and will be as brief as I can in both cases. In order to be clear, and also out of respect for old age, I will first give reasons for the abolition of the tolls on that ancestral enterprise called the Victoria bridge. I am sure some hon. members who are not familiar with the situation will be astonished to learn that, despite its advanced age, the Victoria bridge is still a toll bridge. I will say more and state that in my opinion it is a bridge in connection with which the collection of tolls has become most remunerative, since on that bridge tolls have been imposed on all sorts of vehicles for the last ninety years.

As its name implies, the Victoria bridge dates back to the glorious time of the great queen under whose reign so many great enterprises were born. The construction of this bridge takes us back to a time before confederation. In fact it was authorized in 1853 by chapter 75, Victoria, which statute allowed the Grand Trunk Railway Company to carry out this enterprise and to collect tolls from vehicles using the bridge.

Of course at that time only horse-drawn vehicles were concerned. At the time of its construction, no doubt because of its length—because it has practically no artistic value—this bridge was considered as one of the wonders of the world. We can say the same thing today, but for different reasons. I would say it is still one of the wonders of the world, because it has remained a toll bridge ever since the beginning of its operation some ninety years ago. Then, of course, it is a wonder because of its old age.

During the period of eighty-seven years the owners of the bridge have collected tolls, the revenues from which have never ceased to increase from year to year with the rising population, with the ever-increasing intensity of traffic, both from horse-drawn vehicles and from automobiles, and also with the development of the tourist industry.

The principle which should be applied in connection with the imposition of tolls of that kind on a bridge is that the bridge should become free when its cost of construction has been paid for by the users. Immediately one must conclude that in the present instance the cost of construction must have been paid many times over, since tolls on that bridge have been imposed for more than eighty years.

But there are other reasons for coming to that conclusion. Between 1897 and 1900 the Grand Trunk Railway Company had rebuilt in part the Victoria bridge to allow the addition of two vehicular lanes, one on each side of the bridge. The total cost of the project was $1,883,679. So far as the cost of installation of these two vehicular lanes is concerned, it was in the neighbourhood of $100,000. Then, it should be said that motorists and owners of other vehicles using these lanes have been paying for forty-seven years, since 1900, to defray the reimbursement of that $100,000 which was spent for the installation of the lanes. When one learns that there were years when the revenues have reached $500,000 he will rightly conclude that the cost of construction of these two lanes for vehicles has been paid nearly five times annually, through the revenues derived from tolls. But this, again, is only part of the truth.

In fact, during the course of the session of 1900 the Grand Trunk Railway Company, for the purpose of rebuilding the Victoria bridge and the addition of these lanes for vehicles, to which I have referred, obtained from the federal government a subsidy totalling $500,000. We must then conclude that the users of these two vehicular lanes for traffic have been called upon, since the year 1900, to pay and are still paying today to reimburse an expense the cost of which was covered by a subsidy granted by the federal government.

Even at that time, in 1900, the grant of that subsidy to the Grand Trunk Railway Company seemed so excessive that it brought a flood of protest in the house. I have read with care the debate which took place at that time, after the then minister of railways and canals asked authorization in his budget to impose on the Canadian people this great expense. The item of the budget reads as follows:

> To the Grand Trunk Railway Company of Canada towards the cost of rebuilding and enlargement of the Victoria bridge over the St. Lawrence river, Quebec, in addition to the amount received by the company on account of the subsidy granted by 60-61 Victoria, chapter 4, viz., $270,000 to make up the grant in aid of the undertaking to $500,000 not exceeding $230,000.

The subsidy asked for seemed so much out of proportion, especially when account was taken of the fact that the Grand Trunk Railway Company had always collected tolls and intended to keep on doing so, that violent protests were registered.

One of the members of the opposition, Mr. Cochrane, spoke as follows on the question, as reported at page 9989 of *Hansard* for 1900:

> If the Grand Trunk railway saw fit to reconstruct that bridge it was their own business and not ours. We have paid all this country could afford to pay as a subvention to the Grand Trunk railway. Now why, after giving a subvention of $300,000 do you want to give them $200,000 more when you are paying $40,000 a year for the users of that bridge?

And later the same member of the opposition declared:

> Why do you not put in a condition that the people should travel over the Victoria bridge free and then you will get something for the people in return for that subvention?

Consequently, in 1900 one of the members of the house was asking the government of that day to abolish tolls on the Victoria bridge. Today, nearly fifty years later, I have the privilege of making the same demand. This seems to indicate that times goes on, but things are done slowly.

Since then, there has remained only one lane for the use of motorists, because I believe

it was in 1909 that the Grand Trunk Railway Company took the lane away from automobile users and gave it to the Montreal and Southern Counties railway, one of its subsidiary companies. And yet the Montreal and Southern Counties railway paid the Grand Trunk Railway Company, and is each year paying to the Canadian National Railways the sum of $50,000 for the use of the very lane which had been built with the subsidy of the government for the use of ordinary vehicles. In spite of the fact that the cost of constructing these lanes for vehicular traffic was paid by the subsidy awarded in 1900 by the government, the Grand Trunk kept on collecting tolls and the Canadian National is now collecting tolls ever since the government of this country, by special statute, purchased the Grand Trunk Railway Company.

Since the Canadian National Railways was created, instead of redressing this injustice that company became an accomplice to the perpetration of the injustice, and the injustice became greater as the years went on. During all this time this famous bridge kept getting older, to such an extent that today it has become totally inadequate and it is even extremely dangerous to use. One must almost be compelled to use the bridge and, unfortunately, that is the position of a great many people. As far as tourists coming to visit our country are concerned, many of them refuse to go over this shaky lane with their cars. They prefer taking the Jacques Cartier bridge.

If through misfortune—and I have been the victim of such misfortune many times—through collisions or even from a punctured tire or an automobile running out of gas, there is a tie-up on the bridge it is likely to delay traffic for hours. The motorists who have paid to cross the bridge are then forced to wait for two or three hours before they can resume their course. I should like to ask the Minister of Transport, who, I am sure, is in a position to obtain the information, to give the number of accidents which have occurred on this bridge. I am told that especially in the last ten years these accidents have been very numerous and, in some cases, they have proved fatal.

In connection with the cost of constructing this Victoria bridge, there is the question which one has a right to ask himself and also the government: What has been the total revenue from the tolls collected on this bridge, in the first place by the Grand Trunk Railway Company and then by the Canadian National Railways, since 1860 when the bridge was first opened to vehicular traffic? All those who have asked for these particulars from the Canadian National have never succeeded in obtaining the information. From the scattered information which I have been able to collect, I understand that the Grand Trunk and its successor, the Canadian National Railways, collected $4,733,000 up to December 31, 1934, in tolls on one lane only of the Victoria bridge, and that up to the end of 1943 the total of this revenue exceeded $7,000,000.

If that information is correct one will realize how far away we are from the $100,000 which was the cost of constructing the vehicular lanes on the Victoria bridge. If that information is not accurate, in order to complete it I would ask the Minister of Transport to give the total revenues derived from all tolls charged on the Victoria bridge. I am convinced that the figure will be frightening and will lead everyone to conclude that the cost of constructing the Victoria bridge has been obtained more than one hundred-fold. The Hon. G. A. Simard, a legislative councillor of Quebec, declared some years ago that the Victoria bridge had been paid for 142 times. The only answer he got from the Canadian National was that that was a gross exaggeration. That may be true, but it appears to me that it is unnecessary to try to convince anyone that this situation has lasted long enough. Before this old bridge collapses, motorists should be permitted to use the bridge free of tolls for the few remaining years.

There is in Quebec another bridge which also spans the St. Lawrence river, the Quebec city bridge in the vicinity of that city. This is a much larger and more adequate bridge than the Victoria bridge; but, despite that, for a long period of years motorists have been permitted to use this bridge free of toll. Why make a distinction between that bridge near Quebec city and the one in Montreal, especially when the bridge in Montreal was built so long ago, is today so totally inadequate and has been paid for hundreds of times?

I do not want to be too long with my remarks, and I shall now deal briefly with the other bridge in Montreal, the Jacques Cartier bridge. In this case the injustice is not quite as striking. I should like to state briefly why I think the tolls on this bridge should also be abolished. The cost of constructing this bridge was $19,000,000, but that was due to the fact that the bridge was constructed in a manner to permit ocean traffic to pass underneath. Are the people in the vicinity of Montreal to be penalized because the cost of construct-

ing that bridge was so high? If the bridge had been built in a manner similar to other bridges in the vicinity of Montreal I am told that the cost of construction would not have been more than about $5,000,000. I am told that during the seventeen years that revenues have been collected on that bridge they have exceeded $500,000 annually. I understand that, according to the last report, the figure is $900,000.

Mr. CHEVRIER: The revenues from tolls in 1946 were $720,000, but the deficit is $600,000.

Mr. PINARD: That may be true, but while there may be a deficit in connection with the Jacques Cartier bridge as far as its operation is concerned, the fact remains that there is a surplus amounting to millions of dollars in the case of the Victoria bridge. In both cases these revenues are collected by the government and they should be indivisible. In other words, the surplus in one case should be applied against the deficit in the other.

Mr. CHEVRIER: There is no such surplus in connection with the Victoria bridge.

Mr. PINARD: I do not think there is any doubt that the Victoria bridge produces high revenues each year from tolls charged automobile traffic. I was told that the revenues in the case of the Victoria bridge are much higher than in the case of any other. In the one case, so far as the national harbours board is concerned, we are dealing with revenues of the crown. In the other case we are dealing with revenues of the crown obtained through the Canadian National Railways. It would not be legal to my mind to contend that the revenues in the one case should not compensate for the losses in the other. Any other contention in that respect would appear to me to be more legalistic than legal.

The maintenance of tolls is a bar to the development of all the cities and towns on the south shore of the St. Lawrence river. It is also a great handicap to the tourist industry, which today, as we all know, is one of the greatest industries of Canada. I do not believe there is any justification in asking tourists to pay twenty-five cents, or whatever it is, to cross over a bridge of that kind, which is dangerous and totally inadequate and has been so for many years. Three or four weeks ago I had the privilege of presenting a memorandum to the Minister of Transport on behalf of a considerable delegation, and the minister gave us encouragement. I hope the question will soon be settled, because it is one that is serious and of great importance, not only to the people of my constituency, but to the general public of Canada.

Mr. COTE (St. Johns-Iberville-Napierville): Mr. Chairman, I want to add a word to what has been so well said by my colleague the hon. member for Chambly-Rouville.

(Translation):

In 1942, tolls were abolished in the province of Quebec with respect to provincial bridges, Victoria and Jacques Cartier bridges being excepted. When tolls were no longer required on other bridges however, the government of that province declared its willingness to offer any reasonable compensation in return for the abolition of tolls charged on Victoria and Jacques Cartier bridges. They were therefore convinced that, in fairness to all, the abolition of tolls should apply to every bridge in the province of Quebec.

The abolition of tolls like taxation, must be effected without discrimination towards anyone. Unfortunately, however, Victoria and Jacques Cartier bridges remain toll-bridges, although charges are no longer required on provincial bridges.

Such a situation is extremely unfair toward the people settled on the south shore of the St. Lawrence in the vicinity of the island of Montreal. They represent, with the exception of the metropolis, 70 per cent of the population of the province of Quebec. Today, moreover, these same people, the only ones from whom charges are still exacted on Victoria and Jacques Cartier bridges, continue to pay so that all other bridges in the provinces may be toll free.

I understand that the province has jurisdiction over its highways and the bridges which extend them. The fact, however, that the dominion government shouldered the cost of building bridges within the limits of the province of Quebec does not remove from the province the duty of providing equality of treatment for all its taxpayers. The injustice of exacting tolls from a large section of the province when all other citizens enjoy the free use of bridges cannot be sanctioned.

To sum up, that is why, in 1942, when the government of the province of Quebec decided to do away with tolls on provincial bridges, it deemed fit to request that charges be also dispensed with on Victoria and Jacques Cartier bridges. Further, it declared itself willing to offer the dominion government reasonable compensation in return for the abolition of these toll charges. Unfortunately, what should have been done in 1942 has not yet been carried out but should come about in the near future.

That is why, Mr. Chairman, I would ask the minister to see that dominion and pro-

vincial authorities come together as soon as possible with a view to fixing the amount of the fair compensation mentioned in 1942 and which the province of Quebec must pay Ottawa in exchange for the repeal of tolls on Victoria and Jacques Cartier bridges.

In coming to an agreement, your department as well as provincial and federal authorities would only redress a situation where justice should have been done the taxpayer of Quebec in 1942. According to statistics, the 25 counties surrounding Victoria and Jacques Cartier bridges have a production estimated at approximately $400,000,000; in those 25 counties yearly salaries paid exceed $120,000,000. It is therefore unfair to burden the population living on those industries and salaries with tolls, when such tolls have been repealed, and rightly so in other parts of the province of Quebec.

I know, Mr. Chairman, that there is no conflict but rather a community of interests between provincial jurisdiction and federal jurisdiction. Ottawa paid for the bridges and it is only fair that they be reimbursed. The provincial government has decided to do away with tolls, and it would be only fair to repeal them on all bridges in Quebec, including Victoria and Jacques Cartier bridges. In order to do so, the Quebec government should pay the dominion government a reasonable compensation that should have been set and paid in 1942. I sincerely hope that the amount of the said compensation will be determined by way of agreement between the Quebec and Ottawa authorities, in order that justice be done to all taxpayers of the province of Quebec.

Some hon. MEMBERS: Hear, hear!

(Text):

Hon. LIONEL CHEVRIER (Minister of Transport): I think I should make a reply to the statements made by the hon. member for Chambly-Rouville and the hon. member for St. Johns-Iberville-Napierville. I have no intention of replying at the same length as the hon. gentlemen spoke on this important question. I might summarize in part what I have to say by making this statement, that I met the representatives of the municipalities on the south shore together with the two hon. members and certain others and discussed this question at some length, and advised them of the stand I was prepared to take. I think I should place on record, without going into the matter in too great detail, some facts concerning these two bridges.

[Mr. A. Coté.]

Both hon. gentlemen request the abolition of tolls, and with that there is no disagreement because I think we would all like to see tolls abolished, particularly motorists who have to cross bridges and are not anxious to pay tolls at any time. But one must not forget that, under the constitution of our country, the municipalities and the provinces have certain responsibilities and the dominion government has certain other responsibilities.

The Jacques Cartier bridge was, I think, at the outset purely a municipal and a provincial responsibility; but in view of circumstances that existed at the time, the federal government was prevailed upon through its agency, the national harbours board, to build that bridge, which it did. It entered into a tripartite agreement with the city of Montreal, the province of Quebec and the national harbours board, or rather its predecessor the Montreal harbour commission, to build this bridge, it being understood that one-third of the cost of operation would be paid by the municipality of the city of Montreal, one-third by the province, and the other third by the federal authority. Since 1944 the city of Montreal has fallen down in that responsibility. The national harbours board has had to institute proceedings against the city, which has not paid its share of the cost of operation for 1944, 1945, 1946 and thus far in 1947. The province has taken a similar attitude and has not paid its contributions since 1944. So that I am sure that the hon. gentlemen who have sponsored this cause will take into consideration the fact that if the municipality of the city of Montreal and the province of Quebec by statute and, prior to that, by resolution agreed to pay their share of the undertaking and now refuse to pay it, the federal government cannot look upon the abolition of tolls with much enthusiasm.

Mr. PINARD: I do not want to discuss the point because it is *sub judice*. There may be reasons why the city and the government refused to pay their share. I do not think we should continue discussing it.

Mr. CHEVRIER: That does not derogate from the force of the argument that, by contract, these bodies have consented to pay a portion of the cost of maintenance and operation. Whether they have a just cause or not, they have for some time refused to pay, even though they had undertaken and begun to make payments. The federal government is now being asked to abolish tolls. I am sure that the hon. gentlemen—and both of them in their remarks have said so—would not want the federal government, or at least the agencies of the federal government, to abolish these

tolls without further negotiation. I am sure that they feel it should be done, but it should be done by way of agreement. I can tell both hon. gentlemen here and now that, in so far as the national harbours board is concerned, it is willing at any time to enter into negotiations with the city of Montreal and the province of Quebec with a view to abolishing tolls and to reaching a settlement which would take into consideration the amount of money that has been spent by the national harbours board and by the other bodies, so that tolls would not be abolished at the sole expense of the federal government. I do not think the hon. gentleman, or anybody else in the committee, would for one moment consider that the tolls on this bridge should be abolished at the expense of the federal government. I certainly would not stand for it and both hon. gentlemen would not.

Mr. PINARD: That is what I had in mind. But I am beginning to lose confidence in the possibilities of negotiations with the present government of Quebec.

Mr. CHEVRIER: Be that as it may, I have to say this, that there seems to be no objection, in so far as the national harbours board is concerned, to entering into negotiations, but the initiative will have to come from some source. The delegation which interviewed me some time ago asked me what the government was prepared to do. I simply stated what the position was. I reiterate that statement here this evening, namely, that we are prepared at all times to enter into negotiations toward the abolition of tolls but on a proportionate and fair basis. We will sell to the province or to the municipality the Jacques Cartier bridge, but they will have to take into consideration a fair and reasonable value. I do not want to go into this thing at great length.

Let me say just one word with reference to the position of the Canadian National Railways and the Victoria bridge. It is not a new question. The hon. gentleman says that it has been brought up here as long as forty years ago when it was asked that tolls be abolished, and nothing was done. Well, nothing was done because again the request is that tolls be abolished at the exclusive and sole expense of the federal government, and the federal government has always taken the position through its agency, the Canadian National Railways, that that should not be the case. As far back as 1942 the deputy minister of transport was advised by the Canadian National Railways that it would be willing to agree to a proposal for abolishing tolls, subject to the following;

The Canadian National is agreeable to abolishing tolls on private passenger cars and passengers carried therein, passing over the Victoria bridge, provided a satisfactory agreement could be effected with the province, which will compensate the Canadian National for the loss incurred and protect its interests.

The hon. gentleman has asked for a number of things that I am sure he will not want me to give him on these estimates. For instance, he asks for a list of the accidents on the bridge and a list of revenues from the Victoria bridge. That is information which can be obtained in the railways and shipping committee of the House of Commons when the officers of the Canadian National Railways are there and prepared to answer questions.

Mr. PINARD: I am ready to accept the suggestion, but I should like very much to get the list of revenues collected on the Victoria bridge if at all possible.

Mr. CHEVRIER: I am sorry; I cannot give that information to the hon. gentleman. I will undertake to get it for him at the earliest possible day.

Mr. McGARRY: Mr. Chairman, I am assuming that general discussion is permitted on this item. I wish to bring to the attention of the committee a matter which is of great concern to the maritime provinces directly and to the whole dominion indirectly. I am referring to the spanning of the strait of Canso by a bridge or a causeway. This is a matter which has concerned the people of the maritimes particularly for a great many years. They have urged the government to take this project into favourable consideration. It is one of great importance. I might say that it is an urgent thing; particularly is it necessary if the transportation facilities of the maritime provinces are to be relieved of their inadequacies and their operating awkwardnesses.

I possibly could not contribute to this committee a more intelligent understanding of the need of this project and the necessity of having it attended to as early as possible than if I were to submit a report which was compiled by an ex-premier of Nova Scotia, Mr. A. S. MacMillan. This report was compiled after a great deal of careful and intensive study by Mr. MacMillan in collaboration with engineer experts. With the unanimous permission of the committee I should like to read the report and have it placed on *Hansard*. Before reading the report, may I say that Mr. MacMillan is a man who, since his very

boyhood, has been connected with construction of all kinds. He is an authority on all kinds of construction.

The figures which are found in this report he took from figures that were submitted by Mr. Fairweather and Mr. McLachlan to the select committee of the house on reconstruction and rehabilitation. Mr. MacMillan first starts with the estimated amount of fill for a causeway. He estimates that there will be 3,231,000 cubic yards of fill. The estimated cost of fill at $2.25 per cubic yard would amount to $7,270,000. The estimated cost of tunnel approach and trackage would be $600,000, making a total cost of $7,870,000 for the causeway. The estimated cost of a lock, 650 by 70 by 30 feet and a bascule bridge would be $4,000,000. Thus the total cost of the causeway and the lock would be $11,870,000, or, in round figures, $12,000,000. Track revision; that is, the amendments of the curves and grades from Sydney to Point Tupper, partly by grade line revision and partly by new construction, is estimated at $6,000,000. But if this track revision were to be made from Mulgrave to Truro, he estimates it at $8,000,000 and the new line from Truro to Moncton, $10,000,000. That would mean that the causeway, the amending of the grades and the alignment, in all would cost $36,000,000. That is assuming that a causeway is built. For the track revision and strait of Canso crossing: the revision from Sydney to Point Tupper is $6,000,000; from Mulgrave to Truro, $8,000,000; from Truro to Moncton, $10,000,000, and a bridge over the strait of Canso would amount to $20,000,000, or a total of $44,000,000.. A revision of the line from Sydney to Truro with causeway would be only $26,000,000, and if we add revision, Truro to Moncton, which would be $10,000,000, would amount to $36,000,000. He goes on to state the tonnage:

I am advised that the tonnage shipped from Cape Breton to points in Quebec in 1937 was 1,300,000 and in 1943 was 2,400,000, a difference of 1,100,000 tons.

He explains this by saying:

This difference is accounted for, in large measure, by water transportation of coal from Sydney to St. Lawrence ports, which did not occur in 1943.

He further states:

For the purpose of this study I am using a conservative figure of 1,500,000 tons. This is a reduction of 900,000 tons from the 1943 figures. The cost of freighting coal from Sydney to Montreal—

And that is something which has been discussed before in the house.

—as determined by the transportation commission by trial shipment is $4.95 per ton.

[Mr. McGarry.]

Estimated saving per ton with proposed revision and proper crossing, 25 per cent, or $1.23 per ton, which multiplied by the tonnage would amount to $1,845,000. Plan 1A—

That is with not a bridge but the causeway.

—costing $36,000,000, with interest at three per cent would amount to $1,080,000. Thus on that there would be a saving of $765,000. $765,000 would amortize the capital cost of $36,000,000 in thirty years. Plan 2A, if we use the top figure cost of $44,000,000, and tonnage 1,500,000 at $1.23 per ton, the saving would be $525,000 per year. That $525,000 will amortize the capital cost of $44,000,000 in forty-two years.

He states further:

If we are satisfied to use a causeway and revise the line from Sydney to Truro, leaving out the revision from Truro to Moncton, the cost would be $26,000,000. Saving on 1,500,000 tons of freight at 70 cents per ton would be $270,000. This would amortize the capital cost of $26,000,000 in forty-six years.

In the attached brief summary I have endeavoured to show the annual saving in freight charges that may be effected by realigning and regrading the Canadian National Railway, and by the construction of a causeway or bridge across the strait of Canso. I should like to point out that the figures I have used in the statement are the figures given in the evidence by the Canadian National Railway experts before the special committee of the House of Commons on reconstruction and rehabilitation, namely, Mr. Fairweather and Mr. McLachlan.

It should be noted that I have used the maximum amounts set forth by them, which sets the cost of the completed work, Sydney to Moncton with bridge across the strait of Canso as $44,000,000. You will find on page 400 of the committee's report, the following statement from Mr. Fairweather:

"So when you add the thing up you will see that in order to get this system—and it would be a magnificent system—you would have a total, taking my estimate along with Mr. McLachlan's, of about $35,000,000, and it would be a programme of work which would probably extend over three years."

Mr. MacMillan says:

I have discussed these figures with a number of engineering experts and they all agree with me that the figures used by the Canadian National Railway experts are extravagant and away beyond what the actual cost will be. My personal opinion is that the figures used are from ten to fifteen million dollars above what the actual cost will be.

However, in order that there may be no chance of an argument I have used in this study the higher figures given in evidence by the experts of the Canadian National Railways, which may all be found in the report of the committee under date of May 24, 1943. In addition to the conclusions I have reached and set forth in my statement, there must be taken into consideration the freight tonnage from the mainland of Nova Scotia to central Canada on all products shipped to central Canada as well as coal from the Pictou and Cumberland county mines. In the statement I have used the outgoing tonnage only, and in no case have I used the large amount of tonnage from all over Canada to Cape

Breton and through Cape Breton to Newfoundland. Neither have I used the saving to be effected in passenger traffic, and the delays which would be overcome. I am leaving these two things out of the picture, which in the judgment of competent railway men would amount to two or three hundred thousand dollars annually. My reason for not taking them into consideration is that undoubtedly there will be some incidental expenses in connection with the new proposals which must be given consideration, and which can very well be taken care of from this source. I have tried to point out the different proposals and the cost of each, and to prove in each case that the financing will take care of itself over a reasonable period of years.

First, there is the proposal to regrade the railway from Sydney to Truro, with a causeway across the strait of Canso, costing $26,000,000.

Second, there is the revision of the railway from Sydney to Moncton, with a bridge across the strait of Canso, $44,000,000.

Third, there is the revision of the railway from Sydney to Moncton, with causeway across the strait of Canso, $36,000,000.

I will deal briefly with the necessity for the proposed change. In the first place the condition of the roadbed, curves and grades is such that no comment is needed, other than to point out how ridiculous it appears, particularly to visitors to see a couple of locomotives chugging along hauling eighteen or twenty cars of freight. From the point of view of the passengers, they get no sleep on account of the twisting and rolling, are unable to read or write and if they want a meal the jolting is liable to spill the food all over their clothes. As a matter of fact, it is dangerous to walk through the cars unless there is something to hold onto. It requires almost fourteen hours to travel from Sydney to Halifax, a distance of 289 miles, or an average speed of approximately twenty-one miles per hour.

The following table gives the running time of the trains, and the miles per hour:

	Miles	Running time including stoppages Hours	Miles per Hour
No. 6 morning train ..	289	12¼	23·12
No. 8 evening train ..	289	13¾	21·02
No. 10 evening train .	289	14¾	19·59

Mr. MacMillan continues:

I suggest that, for your information, you take note of what the railway economist, Mr. Fairweather, had to say about this condition in his evidence before the parliamentary committee, at page 399:

"Then you would still have the problem of getting to a point near Truro, because the line of railway from Mulgrave to Truro, let us say, or New Glasgow, is a line that was built in the early days when railroading was not as well developed as it is now. It is not a good line. It is expensive to haul over it, and you cannot, unfortunately, improve it because the people who built it just went over the tops of the hills."

In his evidence Mr. Fairweather refers to the capital cost and insufficient returns. I have tried to deal with that phase of the situation. His next objection is increased maintenance cost, depreciation, et cetera. I cannot see how anyone can argue along that line, as undoubtedly with a new alignment, reduced curvature, and a well ballasted roadbed, while the cost would be higher for maintenance than at present there certainly would be a big decrease in the maintenance of rolling stock. The wear and tear on the rolling equipment on the present road must be out of all proportion to the mileage. As to depreciation, there is the depreciation on the present road. In addition to this, there is depreciation on the ferry steamers and the fact that the present steamer will have to be replaced within a few years, as it has been in the service twenty-nine years.

Again the argument is advanced that we will return to pre-war freight after the war. It should be noted that I have used in my calculations the 1937 tonnage, and at that time coal was being shipped by water to St. Lawrence ports. The rail tonnage in that year was, I am reliably informed, 1,300,000 tons. I have used for my purposes 1,500,000 tons. Surely I am justified in increasing the estimate by 200,000 tons, which will be 900,000 tons less than the 1943 tonnage. We cannot agree for one minute that we will go backward instead of forward.

From the post-war rehabilitation point of view, I know of no project that could be undertaken which would take care of so many returned men, or men who might lose their positions through the dislocation of industry than this proposal. You will find on page 400 of the evidence taken before the parliamentary committee, that Mr. Fairweather states this proposal would give employment to 7,000 men for three years. My opinion is that it would take care of 8,000 men, which would mean approximately 7,000,000 days work in three years, and would undoubtedly take up all the slack in so far as ordinary labour in the maritime provinces is concerned.

If a bridge is decided on, it has been suggested that it would be difficult to hold the piers in the strait on account of currents, floating ice, et cetera. I would point out that the highway bridge across the Annapolis is built on similar piers, and is subject to floating ice conditions and an eight-knot current, whereas the strait of Canso has only a four-knot current. We have experienced no difficulty on this account at the Annapolis river bridge.

Another objection raised is that a causeway crossing the strait would prevent the ice from passing through the strait to the Atlantic, and it would remain in the bay and cause late springs. Records show that only a very small percentage of the ice passes through the strait, but that the next tide forces it back and eventually it remains in the bay until a southeasterly wind drives it back and it finds its way around to the Atlantic through the gulf of St. Lawrence and Cabot strait.

This report, Mr. Chairman, I think has been well thought out and well prepared, and I believe it should be given favourable consideration by the minister. I thank the committee for its courtesy in allowing me to present these statements this evening.

Mr. DIEFENBAKER: I want to bring two matters to the attention of the minister; one is national in scope and the second affects

particularly the provinces of Saskatchewan and Alberta. The national problem is the Canadian National pension fund. From time to time representations have been made to me in regard to the rules and regulations concerning this fund. These regulations are made by the directors of the Canadian National Railways, and the fund is administered by a board of seven members, four of whom are officers of the railway and three are elected from the ranks of recognized labour organizations of the Canadian National. The administration of the fund is under the superintendent of pensions, with the company in the position of trustee of the contributions. Generally speaking, the retirement age is fixed at sixty-five, with the pension fund regulations constituting a contract between the company and each employee. The basic pension provided for under sections 12 and 14 is $300 per annum, which amount is provided at the sole expense of the company. Section 12 of the regulations reads:

> Every employee who joins the service of the company hereafter before attaining the age of forty-five years shall, if he remains continuously in the company's service to age sixty-five, be entitled to receive upon his retirement a basic pension of $300 per annum, which amount shall be provided at the sole expense of the company.

Section 14 reads:

> Every employee in the service on January 1, 1935, who entered the service before attaining 50 years of age, and who at such date shall have had more than ten years continuous service shall, if he remains continuously in the company's service to age 65, receive upon retirement a service pension of such amount as is represented by one per cent of his highest average salary for any ten consecutive years multiplied by his years of continuous service at the said date. Such service pension shall be provided at the sole expense of the company. No employee shall be entitled to both a basic pension and a service pension.

My reason for bringing this matter to the attention of the minister is this, and I am sure other hon. members are in the same position. From time to time employees of the railway company complain regarding inequities in the regulations and anomalies in interpretation which have resulted in injustice to not a few; and the employees feel that under the interpretation of the rules they have not been fairly dealt with. The attitude taken by many is that in the interpretation of the rules the letter rather than the spirit is adhered to. Having regard to the rates of present-day pensions, the representations made to me on the part of many who are eligible for pension is that consideration should be given to an increase in the amount of the basic pension; secondly, that the provisions applicable today respecting the awarding of pensions are determined in large measure upon continuity of service. Where there have been breaks in the service under circumstances which, upon examination, are shown not to have been of a serious nature, it is recommended that a change should be made in the regulations to enable a small break not to be permitted to operate to the detriment of the employee. The third representation is that a number of changes should be made in general with regard to these provisions, details of which at the present time I am not going to place before the minister.

[Mr. Diefenbaker.]

I make this appeal to the minister, because this fund is subject to recourse by all employees of the Canadian National railways who come within the ambit of its provisions. I think the minister would be doing a worthwhile act if he would let the employees of the railway know he would appreciate suggestions and representations from them individually as to changes which should be made in the pension regulations, and that, in particular, examples they have in mind, whether personal or otherwise, indicating that injustices have been done, should be brought to his attention to the end that recommendations might be made on the part of the board to relieve the individuals in question from the inequities which result from too strict an application of the regulations.

I believe, if the minister were to follow those suggestions, he would receive a large volume of representations, provided that the employees knew that when they make representations their identity would in no way be revealed to anyone else. On the basis of the composite representations which would come to his attention, suggestions might very well be made to those charged with the making of the regulations—and the power, of course, rests with the board—to make changes in order, not only to bring the regulations up to date in accordance with present-day conditions, but to remove anomalies in the interpretation which so often occur.

I make this suggestion to the minister because I realize he is as anxious as anyone can be to assure the maintenance of the morale of the employees of the Canadian National Railways who contributed so mightily, as did all railway employees during the days of war, to the victory which came to our country and the empire.

Railway employees gave their all; and when the story of the war, including the story of their contribution, is written, that contribution will stand alongside the service of all other sections of our community. These employees cannot speak directly to the minister;

but if opportunity is given to them in this way, many of the causes of dissatisfaction, not large in themselves individually, but in their entirety very large, would be brought to his attention. Then, through his higher officials these various complaints could be collected and a composite picture of the necessary changes in the regulations brought to the attention of the board. That is the matter of national importance I bring to his attention.

Now, as a matter of importance to Saskatchewan and Alberta I bring to his attention once more the need at this time of something being done at an early day to complete the gaps in the Bonnyville-St. Walburg line and also the Heinsburg-Frenchman Butte line. I know what the reasons were for discontinuance. Financial conditions made it impractical to continue them. Depression was everywhere in our country as it was throughout the world. Then, with the improved conditions came the war, and during the war no construction work, however necessary, could be proceeded with because of the exigencies and demands of war.

But today we have in these two lines the uncompleted ends going nowhere. In other words, we have two lines of railway, one of which is to join up with the Hudson Bay railway and the other of which goes in a southerly direction. In one case the railway ends forty miles from its terminal, and in the other, a little less than that. As the minister knows, thousands of these people went into the area in northern Saskatchewan and Alberta believing that the railway would be completed. They have been waiting for the past fourteen or fifteen years. I know the minister could do no better thing to open up the northern parts of Saskatchewan and Alberta than to say that something would be done to complete these gaps.

Representations have been made before in this connection. It is not a political matter. In this connection I think of the hon. member for Athabaska and the hon. member for Davenport who, as in so many other matters affecting the welfare of the western provinces, has been one of the great proponents of the completion of these two lines.

These are two matters I bring to the attention of the minister. One is a national matter which will develop a greater morale among the employees of the Canadian National railways than ever before, and the other will do much toward raising the hopes of those who believe in the future of the northern parts of Alberta and Saskatchewan.

Mr. CHEVRIER: I should like to answer the recommendations made by the hon. member for Lake Centre, and in doing so I would deal, first, with the last one having to do with filling the gaps between Bonnyville and St. Walburg, and Heinsburg and Frenchman Butte. I am fairly familiar with the question, because last year I received a delegation which recommended the filling of those gaps. Then, less than a week ago I saw another delegation of some eight or nine people, and saw them in western Canada not very far from the place where the gap is situated.

As I pointed out to them, and as I must point out to the hon. member and the committee, the reason these gaps were not filled, and no new construction of branch lines was contemplated during the war, was lack of materials and lack of labour.

Mr. DIEFENBAKER: That is true.

Mr. CHEVRIER: The position today is that during the war years the railways were not able to replenish their stock and equipment, with the result that there is a great deal to do in that respect. I am thinking at the present time of boxcars for which there is a tremendous need, not only on the Canadian National Railways, but on the Canadian Pacific railway. While I am authorized to speak only for the Canadian National Railways, the position on the Canadian Pacific railway is exactly the same. They must put in new rails; they must lay ballasting and obtain boxcars, refrigerator cars and reefer cars. That is the reason why the railroads have not been able thus far to undertake a programme of branch line construction or branch line extension. These remarks which I am now making have to do with the question raised by the hon. member for Swift Current this evening, and they will serve to answer the request that he made. I think, when the position of the railroads in so far as equipment is concerned is better, they will be able to consider this. I told the delegation, as I am telling the hon. member now, that when the time comes to build branch lines and to fill these gaps, the gap between Heinsburg and Frenchman Butte is one that will be given consideration.

With reference to the other matter of national scope of which he spoke, I must say that I have not the rules and regulations of the pension board before me. I thank my hon. friend for sending them over to me now. My recollection is that the rules and regulations provide for a pension board made up of three representatives of the railroads and two of the brotherhoods. I may be mistaken, but that is my recollection. If that is so, the complaints which he makes concerning inequities and anomalies in the interpretation of the regula-

tions should work out automatically. By that I mean that if employees bring to the attention of their own brotherhoods their position in so far as injustices are concerned, I am sure they will make that position quite clear to their colleagues on the board. If it is thought that is not so, not only will it be my pleasure, it will be my duty to bring any inequalities or injustices suffered by the employees to the attention of the directors of the Canadian National Railways.

In so far as rates and amendments to the regulations are concerned, perhaps the remarks which I have made would apply equally to that. I do not know when the rates were last changed.

Mr. DIEFENBAKER: They have not been changed since the inception of the plan.

Mr. CHEVRIER: If that is the case I shall certainly be glad to bring the representations of my hon. friend to the attention of the directors of the Canadian National Railways just as soon as my estimates are through.

Mr. CHURCH: I want to transfer the discussion on the administration estimates to Ontario, the St. Lawrence river and the upper lakes. I have great regard for the minister and what I am going to say is not in criticism of him because I have raised the question before. I agree with what the hon. member for Davenport said about him. You, Mr. Chairman, come from the province of Ontario, and you know that we have a magnificent transportation system in the great lakes. The tonnage passing through the Welland canal is equal to the tonnage passing through the Suez and Panama canals. Most of this tonnage is made up of grain moving to seaboard.

We have estimates under the Minister of Transport amounting to $35,000,000. I intend to speak, first, of the canal services, and then I shall speak for four or five minutes on the marine services. There is an agitation to have free harbours in this country, and then we have people wanting free tolls on bridges built that cost millions of dollars. I do not know where the money is to come from unless they get some revenue. Water-borne traffic acts as a competitor with rail traffic during the summer and early fall months, and saves excessive freight rates.

In connection with this particular item I wish to bring up one or two points. We have a number of canals in Ontario such as the Rideau, the Murray, the Trent. The Rideau canal runs through the Rideau lakes; the Trent and Murray canals up through Muskoka, Parry Sound and the lake Simcoe district. The country has a large investment in these canals. It is true that the Rideau canal was built by the British government shortly after the war of 1812 to provide a back door into lake Ontario. Some use should be made of these canals, including the old Welland canal at Port Dalhousie. I hope that matter will be considered by the department. There should be some national policy in connection with these large investments, and the Trent, Rideau, lake Simcoe, Georgian bay, Muskoka and other northern Ontario districts make a great summer and winter resort.

I am not referring now to the Newmarket canal, although I thank the hon. member for Muskoka-Ontario for calling it to my attention. I remember that canal myself. Some of the greatest speakers of the day, such as the Hon. Sir Allen Aylesworth, spoke so eloquently about the Newmarket canal. I want to point out in all seriousness the lack of life-saving facilities on our great lakes. Dominion day has just passed and fifty-seven drownings are reported up to date. People go out in all kinds of boats which are not subject to inspection. We should do something about it. Six lives were lost at Buckingham from a capsized rowboat. No one should be allowed to rent a canoe or rowboat who cannot swim, and the owners should be penalized who do so.

It may not be under the minister's department, but I would call his attention to the great loss of life in this country. We have no life-saving stations on the great lakes. Anyone can rent a canoe or rowboat and he does not have to be satisfied that the person renting it can operate it. Unless the person renting the boat knows how to operate it, he is just committing suicide; not only that, he is committing murder in connection with those who are unfortunate enough to go out with him. This may involve an amendment to the criminal code to provide sufficient penalties.

I come now to the question of life-saving on the great lakes. How is it that we still have these accidents? There was one in lake Superior which occurred about 60 or 100 miles from Port Arthur where several people were drowned. There was one the other day at Port Rowan where three people were drowned and three were rescued. This was a 28-foot cabin type launch, which took passengers for hire. Anyone can go out in these launches and they are never inspected, and should be under public control. When people go out in them they go out at their own peril, because some have not even life preservers. The vote for life-saving service is only $47,250. The details of this vote are on other pages of the

estimates, but most of this is in connection with the oceans. Ontario contributes about forty-two per cent of the cash taxes of the dominion and yet we get no help at all. How does it come about when these ships moving grain to the east are in trouble that they have to sound their sirens hoping that they will get some help from the United States life-saving stations? As you go along the lakes on the great lakes side from the St. Lawrence river you find life-saving stations at Charlotte, Rochester, Buffalo, Erie and so on. I might also mention the Detroit river, lake St. Clair, lake Huron and Georgian bay, where there was a great disaster a few years ago, and on to lake Superior. What are we doing about providing life-saving stations on these waters? Nothing. I do not like to bother the young minister because he has always been polite and courteous to the members of the house but I do urge that he develop a national policy of life-saving stations on the great lakes.

In a debate in this house in May, 1928, referring to the storms on the great lakes in the season of 1927 in which many brave sailors on grain trade ships were drowned in lake Superior, and in connection with a change of flag which was under discussion at that time I said:

> The sense of Canada's nationalism increases and multiplies through our love of British unity. The true Canadian nationalist will not want to see this country a deadbeat on the taxpayers of the British isles for the upkeep of battle cruisers and a navy to maintain the safety of Canadian shores and for the protection of Canada's commerce on the high seas. The true Canadian nationalist will not want to see Canada a nation only in the advertising pages of American journals. As a nation we are a pauper so far as the actual reality goes.
>
> The closing days and nights of navigation on the great lakes in the season of 1927 recorded a great story of unbroken fortitude and of unshaken endurance which proved that our countrymen, the sailors on the decks of those doomed vessels, were blood brothers of the soldiers who brought glory to Canada at St. Julien, the soldiers who could not be blown off the ground they gained at Passchendaele, who climbed the heights of Vimy Ridge, who gained the victory at Amiens and on many another field of glory, men whose names will forever thrill every true Canadian. These sailors struggled or waited hour after hour; help came to them, it was help organized by the valiant hearts and strong bodies of their own country, or if help came it was help bought and paid for by the taxes of the people of the United States. That is Canadian nationality for you. The struggle was a story of glory for Canada's sailors. The struggle was a story of shame for Canada's politicians. The tragedies of the great lakes in the closing hours of navigation last season showed in its true colours the stuff that Canadian nationalism is made of. We have those who write and talk and chatter at banquets and refuse to pay under the terms of that nationality.
>
> Canada is a proud and haughty nation. It sends its merchant ships into the winter storms with nothing to do but whistle for a United States service tug when the ship is in danger and to fill the air with the distress signals of a siren with the hope that a United States life saving vessel will put to sea and save the lives of Canadian sailors.

That story is being repeated over and over again, and I am very sorry that nothing is done to provide our own life-saving stations. Only yesterday ten or fifteen boys collapsed in canoes and dinghies off the eastern end of the eastern gap in Toronto bay, where there is an old federal break-water that has been built since confederation. Scores of people would have been drowned in lake Ontario yesterday but for the efforts of the Toronto life-saving station which is maintained at the expense of the Toronto taxpayers. They get calls to go up to Muskoka and all along lake Ontario, lake Simcoe and Georgian bay, and all that is done at the expense of the Toronto taxpayers. I plead with the minister for a national policy to save life on the great lakes. Every day men, women and children are being slaughtered on the highways, at level crossings, and by drownings. That is something which should not happen and I hope something will be done about it.

In the Niagara district we should have a car ferry instead of the old tub, the *Northumberland* running to Port Dalhousie. The hon. member for Davenport was to have had his picnic on it the other day. It was not good enough for Prince Edward Island, which this week got a new $6,000,000 car ferry. We should have a car ferry on lake Ontario for Port Dalhousie. We do not get anything in Ontario, although that is where forty-two per cent of the cash taxes are paid. All we get is this old tub, the *Northumberland*. In the Toronto district we used to have two or three shipbuilding plants in the old days. The Port Dalhousie route is badly in need of two ships. The hon. member for Davenport was quite right in not risking his life for his picnic this year on that old tub, the *Northumberland*. He held it this year at Centre island, Toronto. I was at Centre island yesterday. It is under water and you need hip-boots to go around there. I saw a civic controller trying to walk on the narrow boards. He is a great friend of the hon. member for Davenport. He might as well try to walk a tight rope across the Niagara river as try to walk around Centre island, flooded as it is, under this government's system where the city of Toronto has to pay for everything that this government can get the city to pay for. Soak the city all you can —that seems to be the policy. We have not

even had a cabinet minister from the Toronto district since 1935. No wonder we are being neglected in the estimates. All we want is equality of treatment in Ontario. We want a fair deal for our province in connection with these expenditures.

The Toronto life-saving crew are on constant call when there are lives to be saved on the waters of Ontario. They get calls from lake Simcoe and the Peterborough lakes district also at times. It is the same all over the province. We want a fair deal in connection with the inland waterways. Not a cent for life-saving is appropriated in the province of Ontario for the whole lake system. In the United States, on the great lakes they are spending money in this connection, but we are not. That is what is called Canadian nationalism. Well, as soon as we have a somewhat different kind of nationalism for the protection of the sailors on the great lakes who suffer so, the better it will be for this country.

Mr. CRUICKSHANK: I am rather embarrassed in speaking at this time because the maritimes have been talking of spending $40 or $50 million. With your permission, Mr. Chairman, I want to point out to the maritimers who want to spend some $40 million or $50 million—and I am speaking particularly for the benefit of the hon. member for Royal—that a distinguished member from their district, Major Loran Baker, M.C., who represents Shelburne-Yarmouth-Clare—there are three names in that riding—has been selected as a member of the British empire team which will compete against the United States and Cuban teams for the tuna angling championship of the world at Wedgeport. It appears that the maritimers who want to spend $40 or $50 million caught a fish down there weighing four and a half pounds. We use that kind for bait in British Columbia.

I have no hesitation in saying that the matter on which I wish to speak is a local one and concerns Fraser Valley. The hon. member for Broadview who preceded me spoke for some time about life-savers. If anybody lives in Toronto they need life-savers; but I do not think, with all the power and all the taxation that this parliament has, anybody could put through enough legislation to save Toronto. I wish to speak about a matter that concerns purely and simply my riding. The only hope I have of getting any help is through the minister. As a private member I cannot do anything about the matter because it concerns the Canadian Pacific Railway Company. I doubt whether any member of the government could do anything with the Canadian Pacific Railway Company; certainly a private member cannot. Some fifty years ago in the Fraser valley the Canadian Pacific Railway Company built a railway from the main line to connect their line to the Northern Pacific at Sumas, Washington. At that time they built their right-of-way above the high water mark and claimed and secured from the government exemption from dyke taxation because the railroad was above the high water mark. At that time the farmers of the district built a dyke along the Fraser river above the high water mark. The Canadian Pacific Railway Company in a few years lowered their grade eight feet below the high water mark, but to this day they have never paid a dollar in taxes. This great Canadian Pacific Railway Company have apparently too much to say in the running of all the provinces and in the running of the dominion government and still do not pay a dollar in taxes, claiming and receiving exemption because the right-of-way was built above the high water mark of that day.

As I said, they lowered their right-of-way eight feet below the high water mark of the present time, but still they do not pay a dollar's worth of taxes. I do not know of anything about tolls on bridges, but I have heard a lot about it tonight. This company built a bridge which we are allowed to assess at only $100,000. The bridge cost less than half a million dollars to build some thirty or forty years ago. For municipal taxation purposes we are allowed to assess it only at $100,000, but they secure from the provincial government alone a revenue of over $600 a month. Then they secure revenue from the telephone and international telegraph companies as well, but we are not allowed to do anything about the matter. I quite realize that, as a private member, I cannot do anything about it, and I doubt whether the minister can; but it is his duty to endeavour to do something about it.

I have read some of the history of the great Canadian Pacific Railway Company. You cannot read anything funnier than the history of this company which you can get from the library. If you want to get a book that you would not want your wife to see you reading, get a history of the builders of the Canadian Pacific railway. It is a lot worse than a book you would hide under the mattress, I can assure you, Mr. Chairman. These people can get away with this and pay no taxes to the municipality. This branch railway is the highest revenue producing railroad in the Dominion of Canada, and for the last ten years they have not paid one dollar's worth of dyke taxes on this railroad. I think it is time the minister took the matter into con-

sideration. I admit it is a local issue. The only opportunity the farmers have of dealing with an injustice is through their local member who has to deal through the minister. I would urge the minister to use his influence a little to see that the farmers in my riding particularly get a fair deal.

Mr. CHEVRIER: Just one word in reply to the hon. member for Fraser Valley. I am not familiar with the details of the railways—

Mr. CRUICKSHANK: Your predecessors are.

Mr. CHEVRIER: —to which he referred. I do not think there is anything in the department—I know there is nothing in my office that would set out the circumstances such as he has related them. I am not saying that they are not such as he has said they are. There is another thing my hon. friend must keep in mind. The Canadian Pacific Railway Company is a private corporation; it is not under the jurisdiction of the federal government as the Canadian National Railway is. The Minister of Transport or the government have no direct jurisdiction over the Canadian Pacific Railway Company; but I certainly shall be pleased to communicate with the company and bring to their attention the complaint which my hon. friend has made. As soon as I receive their reply, I shall communicate it to him, but I presume it will be some time after prorogation.

Mr. CRUICKSHANK: Thank you. I want to make one correction with regard to what the minister has said. I admit that it is a private corporation; but I say that the Canadian Pacific Railway Company receive all the benefits, all the privileges from the board of transport commissioners who are responsible to this government and to parliament; consequently the minister and this parliament have something to say in the matter.

Mr. WINTERS: I wish to say just a few words on this item before it passes. I can think of no better way of starting than by complimenting the minister for the efficient way in which his department has rendered service in the constituency of Queens-Lunenburg during the past year. I refer to the department generally, but in particular I should like to say their service in the navigation aids branch has been good and they have made a very fine improvement in the Canadian National railway between Halifax and Yarmouth. At last we have a service on that railroad which compares favourably in quality with any that may be found elsewhere in Nova Scotia and in many parts of Canada. With a little more speed we shall indeed have a fine service.

In particular, I wish to lay two problems before the minister tonight, one in connection with the special merchant seamen bonus, and the other a little later in connection with benefits for Canadian National employees. Generally speaking, merchant seamen special bonuses are paid to seamen who qualify by virtue of the fact that they served in dangerous waters and received a war risk bonus. I believe that the merchant seamen special bonus has been paid to many seamen who served on Canadian government ships, but there is one class who have not been able to qualify for this bonus. I refer to the seamen who served on fishery protection boats operated by the Department of Fisheries. To all intents and purposes these seamen are merchant seamen in every sense of the word except possibly one. I understand that these seamen on the fishery patrol boats signed on under continuing articles of agreement rather than Canadian articles of agreement, and therein lies the only distinction between these seamen and bona fide merchant mariners. The seamen on the fishery patrol boats were given the merchant seamen's pin; they were given documents stating that they served in the merchant navy, and in fact they were registered under the merchant navy.

The department has been very good and flexible in its arrangements for payment of the merchant seamen special bonus. It extended the time limit on the regulation several times to permit seamen who failed to take advantage of the dateline to qualify. But there is this class of seamen who are still debarred, and I can see no good reason for it. According to the regulations, they may not be merchant seamen in fact, but in my opinon they were in deed. They qualify in every respect except for those few words, "continuing articles of agreement", as against "Canadian articles of agreement". There is, therefore, this deserving class of people debarred from the benefits. I would urge upon the minister that he give them every consideration by attempting to broaden the interpretation of the regulations. I believe that, in terms of the spirit of the regulations, these deserving seamen qualify, and I would ask the minister to see if they cannot be brought under the regulations.

The next problem I should like to place before the minister is in connection with benefits to employees of the Canadian National Railways. It is somewhat along the lines of the problems raised by the hon. member for

Lake Centre. To illustrate the point more particularly I should like to deal with a specific case. The case in question is that of a gentleman by the name of Aubrey H. Conrad, who lives in Bridgewater, Nova Scotia. Mr. Conrad became an employee of the old Halifax and Southwestern railway in 1917. That railway has since become part of the Canadian National Railways. He was forced to retire from his job in November, 1917, after twenty-six years of service, for reasons of illness. His age then was forty-seven.

The railways' pension plan was enunciated by the hon. member for Lake Centre. This pension plan, which was introduced, I understand in 1935, was made applicable to employees who at that time had fifteen years or more of service. Employees under the terms of the pension regulations become pensionable at the age of sixty-five, or earlier in the case of injury or accident, provided that they have reached the age of fifty years. But since Mr. Conrad, the man to whom I have reference, was only forty-seven years of age at the time he was stricken, he was not eligible under this pension plan, nor was he eligible under the old provident plan.

There is another means of providing benefits to employees with long service, and that is by gratuitous allowances. That means is applicable to those men who do not qualify for pension or provident benefits. It was set up, and I quote from a letter provided to me by the minister:

> . . . in order to take care of employees with long service who were forced to retire before reaching pensionable age.

I emphasize, Mr. Chairman, that term "long service". For the purpose of these allowances, the definition of long service is twenty years or more. Mr. Conrad qualifies fully in this respect of long service because he has had twenty-six years of service, or six more than the minimum required.

But there is another requirement in connection with these gratuitous allowances, which states that employees must have reached the age of fifty years. Here Mr. Conrad is debarred because he was only forty-seven years of age at the time of his forced retirement. If long service is to be rewarded, or, to put it another way, if employees with long service are to be protected, as I believe they should be, then the age at which they are stricken should be a minor consideration. However, if the age is to be a factor, then a formula should be used which would combine age and service, as is done in many other companies. For example, if the qualifying length of service is to be a minimum of twenty years and the minimum age is to be fifty years, I submit that there should be a formula combining the two for a total of seventy. That is done in some other companies and it works satisfactorily.

Mr. Conrad had twenty-six years of service. If the over-all is to be seventy, then he could have qualified at the age of forty-four. In other words, with twenty-six years of service, he being forty-seven years of age, the total would be seventy-three which would qualify him easily.

There is no other avenue I know of, or no other avenue which the railway brotherhood or the Department of Transport have been able to suggest whereby this man could qualify for benefits. I believe that every effort should be made to open the door so that he could qualify under the regulations applying to gratuitous allowances. The minister is aware of this case. I have referred it to him several times, as well as the brotherhood, and in a letter to me dated May 17, 1947, he stated:

> To extend the present arrangement or to change the existing formula . . . would cost the company a very substantial sum annually and we have had to take the stand that our present retiring allowances are as generous as we can make them.

I quite agree that there are practical limits with regard to how far any company can go in this direction of pension benefits. I know it has many commitments and, when dealing with one commitment, it must keep its eye on the over-all programme. But if, as the company itself states, the gratuitous allowances are "to take care of employees with long service who were forced to retire before reaching pensionable age", then it would appear that the age restriction is not allowing the company to live up to the purpose of these allowances. I would therefore urge upon the minister that such cases as this fall within the spirit of the gratuitous allowances, and that when the term of their service is adequate, employees should be allowed to qualify. If the railways do not see fit to ignore the age completely and qualify a man on the basis of long service alone, then they should make age a secondary consideration by applying a formula which permits service and age to be added together. As I have said before, that is a formula which is accepted in many other companies and it works satisfactorily. There is no other means whereby employees of this class can receive benefits. They have the greatest difficulty in paying their doctor bills; for the reason they had to retire in the first place, even at an early age, was because they were ill. I would again ask the minister if he will give that problem serious re-consideration, and determine whether or not the terms

of the regulations cannot be extended to include men in this unfortunate class.

Mr. CHEVRIER: May I say just one word in reply to the hon. member for Queens-Lunenburg? He asks that the merchant seamen's special bonus be extended to cover the case which he has just referred to, which is that of seamen in fishing vessels. The difficulty in the past has been that the special order in council setting up the bonus defined the terms "seaman" and "ship". For instance, "seaman" means a person employed on board a ship under agreement made pursuant to section 163 of the Canada Shipping Act; and "ship" means a ship engaged in voyages in dangerous waters. I presume that the case which my hon. friend has reference to is a ship which is not one where a person is under an agreement and not one which was continually operated in dangerous waters. I suppose sometimes it did operate in dangerous waters and sometimes it did not. This being an order in council which was passed in order to give assistance to merchant seamen who operated in dangerous waters, I hesitate to say to the hon. gentleman that it would be possible to extend it to cover the men he mentioned. If consideration is given to cases such as he has in mind, it would have to be by a method other than that devised under this bonus.

As far as the case of Mr. Conrad is concerned, I made representations to the Canadian National on behalf of this gentleman, and the letter my hon. friend read is, I think, the final answer. However I shall be glad to ask the railways to take another look at the position.

Mr. WINTERS: These men have established the fact that they served in dangerous waters, because they were in receipt of the war risk bonus, so that they have fully qualified in that regard. I believe the articles they signed are known as continuing articles of agreement, but I am not too clear on that point.

Mr. ARCHIBALD: At this time I should like to bring up one or two points which normally would come under items 413 and 451. Since I should like to spend a few minutes in the industrial relations committee, where I should be at the moment, I would ask permission to mention these matters now.

Last winter representations were made to me by the boat owners of the halibut fleet and also the crews, as well as the salmon trawlers, asking for more navigation aids on the Pacific coast. I know that from time to time the board of trade of Prince Rupert have asked for more navigation aids for steamships, and the department has taken the position that, with modern instruments, more navigation lights and so on are not necessary; but in the case of the fishing fleet that is not so. I personally went down the coast from Prince Rupert to Bella Coola last year on a halibut boat, during the stormiest season; and when it gets dark and you try to find one of these small fishermen's harbours, as they are called, where they hole up for the night, it is almost impossible to get in. It is at the entrance to such small harbours used by the fishermen that they would like to have lights installed. At the entrance to one small harbour commonly used out there they hang a lantern. That is against the law, but they have to do it in order to protect themselves. I would suggest that, in putting in lights on the coast, if the department would consult with the boat owners association of Prince Rupert before installing them I believe it would be more satisfactory than having the department instal the lights on their own responsibility. The fishermen point out that there should be a light at Rosespit; that there should be a larger light on Bonilla island; and they state that from Bonilla island to Egg island there are no lights on the outside. There should be a buoy on Badjo reef on the west coast of the island. They also say the existing lights should be improved by expanding the number, and putting in larger lights with greater candle power. They say directional finding is not on continually; it is of low power, and there are not sufficient stations. There are no stations at Beal or Eculet, and the one at Tofino is unsatisfactory. However, they say the one at St. James is good. They urge that these directional finding stations should be put on an automatic basis, as in the United States, and that there should be a constant patrol service the year round. They point out that the one light they would like immediately is at Bonilla, and they say it should be more powerful.

Then they have pointed out to me that the weather station at Dead Tree is absolutely useless. When they are out in Hecate strait they may get a report from that station that it is calm, whereas it may be blowing a gale outside, and it may work the other way also. They would like to see the Dead Tree weather station put at Bonilla or Sandspit, to make it more satisfactory to the fishing fleet. Then at the northwest end of Banks island, forty-eight miles from Prince Rupert, there is a place called White Rock harbour where they would like lights installed. That is where they have a habit of hanging a lantern, in order to guide themselves into the harbour.

That harbour is used a great deal by fishermen during the fishing season.

I have also had representations from Reverend Mr. Kelly, who is in mission work along the coast with the United Church, in connection with the lighthouse keepers stationed there. He says that under the present set-up a tender is supposed to visit the lighthouse every six weeks, but that generally they are visited every two months, and sometimes even less often. Tenders bring in food and incidentals. He points to the fact that lighthouse keepers are not overpaid, and that quite often they run out of food. The mission boat visits them once a month, and Mr. Kelly points out that the lighthouse tenders should pay more frequent visits to the lighthouses in order to service these men more adequately, and points to Egg island lighthouse, Addanbrook lighthouse, Pointer island lighthouse, and Ivory island lighthouse as particularly outstanding examples. Some of the lighthouses have two-way radios, while others have not, but that does not solve the problem altogether. All lighthouses should have two-way radios.

While in Prince Rupert, I ran into another problem having to do with the radio division. At the present time the R.C.A.F. frequency modulation stations at Mount Hays have been turned over to the Department of Transport, and are used only for weather reports. The installation consists of three circuits operating to the following points: Massett, Queen Charlotte islands; Sandspit, Queen Charlotte islands, and Annette island, Alaska. If these stations were put to proper use it would give the people in these localities long-distance telephone service to any country in the world having any means of voice communication. It is understood that this installation was made for the R.C.A.F. by the Northwest Telephone Company on the understanding that when the R.C.A.F. had finished with it they would purchase the entire installation. The main point of disagreement is that this F.M. equipment is used only for weather reports, and that it should be placed at the disposal of the people for telephone service, especially at Massett. It is understood that the circuit at Sandspit likely will be maintained, inasmuch as there is regular air service running through that point at the present time, but we would like to see this service extended so that people could use it as a means of telephone communication, because otherwise they are absolutely cut off from the outside.

[Mr. Archibald.]

Mr. CHEVRIER: The aids to navigation to which the hon. gentleman refers particularly are in the Prince Rupert agency, and he will be interested to learn that the department is spending some $65,000 in improvements, repairs and replacements to aids to navigation in that area. Then some thirty-two secondary lights have been installed in the inside channel extending from Vancouver to Prince Rupert, and they have been found fairly satisfactory. The condition of the lighthouse keepers, to which the hon. gentleman has referred, of course is not always of the best because of the isolated parts of the country in which they live, but the department is continually in touch with them trying to better their conditions. For instance, the salaries of some of the lighthouse keepers have been increased; in many of the stations two-way range telephones have been installed, and we are continually trying to improve the conditions under which these people live. The hon. gentleman has referred to a number of specific cases. I have made a note of them, and I will keep his representations in mind.

(Translation):

Mr. BONNIER: Mr. Chairman, the Canadian National right of way crosses my constituency without a single stop. There are no stations between Lachine and the Union station in Montreal, a distance of 7 or 8 miles. In the country, trains could possibly go that distance without a stop. However, in my constituency, the trains go all that distance without stopping. It means that a population of from 75,000 to 80,000 are deprived of this transport service, which would be available to them if a station were located at St. Henri. Of recent date, a change occurred and the trains were routed farther to the south, with the result that our station is now useless, no trains making that stop now.

The Canadian Pacific have two stops, one at Montreal West, the other at Westmount, and their terminus is at Windsor station. At St. Henri, the Canadian National do not stop. The people of Verdun, numbering about 75,000, would be willing to board the trains at St. Henri, but as the Canadian National do not stop there, they have to use the Canadian Pacific station.

The Canadian National have consistently a deficit. It is no wonder since they do not take the trouble to stop for taking on passengers.

Some hon. MEMBERS: Hear, hear.

Mr. BONNIER: It is bound to stop somewhere. Alongside the Canadian National tracks there are two tramway lines on the north side,

the St. Antoine-Westmount and the St. James lines, and three on the south side. These lines would convey passengers from Verdun and Ville-Emard.

In St. Henri, there is a most appropriate place for the construction of a station. The old structure could be moved to this new location where it would adequately serve the people of the district. Next to St. Zotique church, there is a former freight yard, owned by the Canadian National, adjoining Notre-Dame street. This location is most appropriate for the erection of a station that would be handy for the people from Verdun and St. Henri.

The Canadian National, ever anxious to serve the population of my constituency and increase their revenue, would derive real benefits by having their trains stop there to take on passengers, instead of keeping right on, like excursion trains.

(Text):

Mr. CASTLEDEN: I should like to ask the minister one or two questions.

Mr. LANGLOIS: Mr. Chairman, I rise to a question of privilege. I have been trying to get your attention for an hour and a half, but without success. However I do not wish to take the turn of the hon. member who is about to speak, but I hope that the next turn shall be mine. I thank you.

Mr. CASTLEDEN: I believe there is a list of speakers for this evening.

Mr. MacNICOL: No, not on estimates.

Mr. CASTLEDEN: The matter I wish to discuss this evening has to do with spur lines in the west. I know this is a headache to the minister and the railway companies. I believe the condition was caused by the competition which existed when the railways were being built—the Canadian Northern, the Grand Trunk and the Canadian Pacific. As one railway built its way through it ran a spur out to head off the other railway. Then the other company cut in north of that, with the result that very often these spur lines were left.

In my own constituency there is a case of that kind which I should like to draw to the attention of the minister. I am going to offer, for what it is worth, a plan which, I think, might be used to remedy the situation, for the benefit of all.

Mr. CHEVRIER: What is the name of the line?

Mr. CASTLEDEN: The first is a spur line that the Canadian National Railways ran from Melville. They ran the line up as far as Yorkton, and then ran a spur line from Yorkton, through Willowbrook to Beaver Dale to Parkerview, and it ended there, at a dead end. The Canadian Pacific railway came through Yorkton from Winnipeg to Saskatoon. They ran through from Yorkton to the northwest from Foam Lake. They ran a spur down to head off the Canadian National Railways. The spur line ran from Foam Lake to West End and Back End, ending at Wishart. The result is that these people living on these two spur lines find themselves with a most inefficient service. The spur line from Foam Lake gives them a passenger service once a week, running out from Foam Lake to Wishart, and then running back picking up freight. This is a congested and unsatisfactory situation, both for the people and the railway company.

I know petitions are being sent by these people. In fact I have helped to present them to the board of transport commissioners. I know what the problem is, and I believe the minister might help to prevent the stalemate which exists if he were to act as arbitrator. He could call the two railways together and suggest that either one or the other withdraw from the field. Have someone arbitrate and find the value of the spur line; then let the other one buy out the other's spur. These two could then be joined together. It is a distance of fourteen or fifteen miles. If it is the Canadian National that buys out the Canadian Pacific's spur, then let the Canadian National run from Yorkton through Parkerview on to the Canadian Pacific spur and come back to their own line perhaps at Touchwood or Raymore.

If the Canadian Pacific buy out the Canadian National to Parkerview, then let the Canadian Pacific complete their line and run from Wishart back to the Canadian Pacific line at about Wynyard. In that way they could operate an efficient service for the whole of the area and give these people a better passenger and freight service, while at the same time they would make it more profitable for themselves. At the present time the condition is not economical, and there is not a good service.

I should like to have the minister's reaction to my suggestion. I understand that there was a shortage of materials and labour. I know the board of transport commissioners are working with these problems, and it seems to me that some solution such as I have offered would be of great assistance.

The other matter to which I would draw the minister's attention is the Trans-Canada Air Lines service to Yorkton. Would this come under his department, or that of the Minister of Reconstruction and Supply?

Mr. CHEVRIER: The Department of Reconstruction and Supply.

Mr. CASTLEDEN: Then I shall take it up under that department. In the meantime I should like to have the minister's reaction to the other matter.

Mr. CHEVRIER: There is provision in the Canadian National-Canadian Pacific Act for cooperation between the two railways to cover a case such as he has mentioned. Since I have been in the Department of Transport, I have never acted in the capacity of arbitrator, although I have been requested from time to time to do so. The matter he has discussed is one which should be brought to the attention of the two railway companies, with particular reference to the application of the act. The Canadian National-Canadian Pacific Act was enacted with a view to coordinating the services of the two railway companies. If the hon. member would write to the railway companies and make reference to that act I believe consideration would be given to his request.

Mr. CASTLEDEN: The board of transport commissioners does not handle that.

Mr. CHEVRIER: The board of transport commissioners would handle it if an application were made by the parties concerned to complete the line and to coordinate the service. It has jurisdiction.

Mr. CASTLEDEN: Petitions have been coming in asking for improvement of the service. Perhaps we could make the representations the minister has suggested.

Mr. CHEVRIER: I do not know all the details, but in order to get the matter before the board of transport commissioners the case would have to be one which would come under the jurisdiction of that body. I do not know enough about the matter to say whether it does or not, and that is why I have refrained from saying that it does. But if it does not, the other alternative is the Canadian National-Canadian Pacific Act.

Mr. LANGLOIS: Mr. Chairman, before making the remarks that I wish to make I should like to associate myself with the hon. member for Queens-Lunenburg who made such timely remarks in connection with the special bonus payable to seamen. If I understood correctly what my hon. friend said, his suggestion would entail another extension of the time in which seamen could put in claims for bonuses. As hon. members know, the expiry date was March 31. I strongly recommend to the minister that another extension be made.

There are a few cases in my riding which were not considered because they had been made after March 31. In this connection it might be well to remind the committee that the men who served in the armed forces of Canada were given ten years in which to claim their gratuities, while our seamen were given only a few months to claim their special war bonus. During the war the proposed provisions in connection with our returned soldiers were largely publicized among the troops, and on demobilization the members of the forces had the free services of a rehabilitation counsellor who reminded them that they had something they could claim from the Department of Veterans Affairs. Moreover, the man's service record was made available to him by officers of the Department of Veterans Affairs.

The merchant seaman sailed, not just on one ship, but on many ships during his years of service. When he was discharged from his last ship there was no one beside him to tell him what he was entitled to and he had no one to make the necessary computations. As I say, he was given only a few months; he was told that if he did not make his claim within such a period he would have no claim at all. If we are to compare the service rendered by our seamen with the services rendered by our soldiers, airmen and the men of our navy, it is only fair that we should give the merchant seaman an equal chance to claim the few benefits to which he is entitled and which he has truly earned.

Last year when I spoke on these estimates I reminded the Minister of Transport of the numerous representations which had been made during the past fifteen or twenty years with regard to the acquisition by the Canadian National Railways of the railroad line between Mont Joli and Matane and the extension of the line from Matane to Ste. Anne des Monts. I gave the committee at that time many good reasons in favour of that project and I shall not repeat them tonight. Last year the minister promised that he would ask the Canadian National Railways to investigate this matter further.

At the beginning of the present session I was given an opportunity of seeing the report which was subsequently made by the officials of the Canadian National Railways. I can quite understand why I was not able to obtain a copy of that report, but I wish to say that it was most disappointing in that it was quite incomplete. The report mentioned the lumbering industry which would be served by this railroad and it gave a wrong idea of the real picture. The manager of one lumber

company located in my riding has asserted that the figure given in the report in connection with the lumbering industry was ridiculous. He told me that in only two villages in that part of the country there was a production this year of fifty-eight million feet of lumber, while the report mentioned only a few million feet.

If my memory serves me correctly, the report stated that fishing was the main industry in the region concerned. To my knowledge, there is not a single full-time fisherman in the whole region through which it is proposed that this railroad should go. In the report no mention was made of recent mining developments in that area. Candego Mines Limited is actually building at Ste. Anne des Monts a mill which will be ready by the end of the summer. It will have a daily capacity of fifty tons. The building of this mill together with the construction of the road leading to it was in the course of being realized when this report was made, but still the report made no mention of it. I do not want to lay any blame on anybody. I know the minister was courteous to me and willing to help me in this connection. That is why I hope he will ask the officials of his department to visit that part of the country and really investigate the possibilities of development, and then make a complete report on what is going on there. For myself I want to assure the minister that I shall always be at the disposal of any official of his department to introduce him to our public bodies like the chamber of commerce and our businessmen, and I shall be more than ready to go with him and show him just what is happening and help him in any other way, so that he can make a full and complete report.

Mr. ARGUE: I wish to bring to the attention of the minister a few gaps in the railway line that exist in my constituency. Last year I brought to his attention a problem concerning the fences being down on the Canadian Pacific line south of Assiniboia, and I am glad to report that within a couple of months afterwards I received a letter from an official of the railways stating that the fences had been repaired.

There is a gap between Mankota and Val Marie of approximately forty miles; another between Big Beaver and Minton of approximately thirty-two miles, and another one between Cardross and Dunkirk of approximately nineteen miles. These railway lines in each case are owned by the Canadian Pacific. The lines existing as they do at present mean that anyone going to the city from points along these lines must go either a long way out of the way east and back again, or else a long way out of the way west and back again. Leaving Val Marie to go to Regina one has to stop a night at Noteku and another one at Assiniboia and take another day to get to Regina. If these gaps were filled the railway service could be improved so that people would be able and willing to use the lines more for passenger service and express than they do at the present time.

The rural municipality of Happy Valley has sent me a resolution asking that the gap be filled between Big Beaver and Minton. I can best illustrate what happens when gaps have not been filled by citing the branch line on which I happen to live. For example, this winter I got on a train at home at 9.30 in the morning to go to Regina, a distance of seventy-five miles. At 6.30 that evening I was passing through the little village of Corinne, and I had made about forty miles on the way to Regina. Then I had to go to Moose Jaw and back again to Regina.

There is only a 19-mile gap between Cardross and Dunkirk. If that gap were bridged, the service could be made reasonably good to the city of Moose Jaw.

I have had representations made to me from the town of Ferland for a railway station agent being placed there. I took the matter up with the board of transport commissioners and they sent me a return of the C.P.R. earnings at Ferland for the past three years, as follows: 1944, $83,100; 1945, $24,200; 1946, $13,500. I realize that the earnings in the last two years are definitely down, but in view of the serious crop failures which they have had at that point in those two years those earnings cannot be taken as representing the average returns. I received a number of letters from the secretary of the board of trade of Ferland, Mr. J. A. Fournier, and I think the case for a railway agent at that point can best be stated by my quoting a couple of paragraphs from those letters. He says:

> The town of Ferland has three general stores, one garage, one blacksmith shop, one butcher shop, two implement dealers, three oil agencies,

And so on. He goes on:

> There are some twenty thousand acres seeded to wheat every year that are tributary to this station, which should in normal times grow 400,000 bushels of wheat for shipment.
>
> There are three big ranchers directly south of here who have to take their cattle and horses to the neighbouring towns when they ship.
>
> We have tried begging the C.P.R. for an agent for the last couple of years, but they always put it off. They claim that the revenue of our town is not sufficient to warrant an agent here. The facts are as follows: Not hav-

ing an agent here naturally tends to lessen the business that is done here at Ferland. Fifty per cent of the farmers who ship eggs and cream go to the neighbouring towns where they have an agent to take their produce. They necessarily deal at those other towns to the detriment of the business men in Ferland. There are a large number of carloads of cattle that are shipped from this district every year. They too have to herd their cattle to Mankota or McCord because they have better stockyard facilities and they have an agent who can do their billing at once.

I trust that some additional consideration can be given to this request to the end of providing a station agent at that point.

One reason I have taken this opportunity to speak is that I have received a petition from a number of people along the Radville, Bengough, Willow Bunch line. I received a petition from four points along that line, containing 364 signatures asking that the diesel train running from Regina to Radville daily be extended to run through to Willow Bunch daily. The people on that line now have a mixed train service twice a week. A mixed train is, of course, very slow, and with only two trains a week it is certainly not satisfactory for passenger service. Two of the larger points on that line obtain mail from the Weyburn, Assiniboia line, but of course that has to be brought in by automobile or truck and often the roads are bad and that mail service is not satisfactory. A letter attached to the petition from the person who circulated it in the town of Willow Bunch states that the businessmen of Willow Bunch are willing to patronize the railway if a better service can be provided.

A few days ago I talked with about three people from Bengough, which is a thriving little town, and they stated that they had solicited the businessmen there and that they too were willing to give much more patronage to the railway if additional service could be provided. I would ask that further consideration be given to extending the diesel train through to Willow Bunch and providing, if at all possible, a daily train service.

The last thing I wish to mention tonight—and it is not often that I speak of my own home town of Kayville, but since they have a just cause I shall do so now—is a railway station. I would ask that a decent railway station be provided in that town. There is an agent there and the station is just about the size of two railway boxcars dragged together and set down. The railway agent and his family live in one boxcar—if I may call it that, it is not any better than that—and the station is in the other boxcar. The dimensions of the living quarters are about ten feet by thirty feet. A home of that size for a man, his wife and four children, as one agent had, is not good enough. It amounts to a slum condition in the town for the railway agent. Needless to say, a railway agent with a family does not want to stay long in a place like that.

The waiting room is about big enough for four people to stand in if there is no express in the room, which seldom happens, since there is not a good express shed. The express shed is just a shack. The rain comes through, and, in the winter the snow comes in and any perishable goods have to be put in the little waiting room.

Mr. GAUTHIER (Portneuf): Is that the Canadian National railway?

Mr. ARGUE: The Canadian Pacific.

Mr. GAUTHIER (Portneuf): The Canadian National have some like that in my district.

Mr. ARGUE: There are 156 householders, five grocery stores, three garages, a blacksmith shop, a tow drayman, two hotels, two cafes, along with a three-story cooperative store. The school is attended by some ninety children. The town is growing. The business places are all attractive, all except the C.P.R. station. The people there have waited for a long time for a station and expected that something would be done on it last year, but to date nothing has been done. May I ask the minister to see that something be done to speed up the building of the station?

Before I take my seat, may I give an additional reason—if I may revert to the service along the Willow Bunch line—since there has been a promise all the time for many years to extend that line to hook up with the branch line coming out from Swift Current. After Willow Bunch, which is the end of steel, there is a little town called St. Victor that has not a railroad in it at all. I think that place should be provided with railroad facilities.

Mr. CHEVRIER: One word in reply to my hon. friend. I am sure he realizes that the Department of Transport has no jurisdiction over the Canadian Pacific Railway Company. All the matters that he has directed attention to this evening are matters affecting the Canadian Pacific. He did ask about the Mankota-Val Marie line. That is a Canadian Pacific railway line. I know the Minister of Agriculture has interested himself in that line particularly and has made representations to the Canadian Pacific Railway Company.

The hon. member was not here when I replied to the hon. member for Lake Centre a moment ago and outlined the position with reference to branch lines and filling of gaps. It is, I believe, the same in the Canadian

Pacific Railway Company as it is in the Canadian National Railways. I am informed by the officers of the Canadian Pacific Railway Company that just as soon as they begin branch line projects the Mankota-Val Marie line is one of those which will be considered.

The hon. member spoke of the station agent. That is a matter for the board of transport commissioners. Under the Railway Act they have full jurisdiction to deal with the subject. With reference to the railway station, that again is a matter for the Canadian Pacific Railway Company, and if it will assist my hon. friend I shall be glad to direct his remarks to the attention of the officers of the railway.

Mr. BROOKS: There are a few matters that I should like to mention. First, I should like to congratulate the hon. member for Inverness-Richmond upon bringing to the attention of the committee the matter of the double-tracking of the railway from Moncton to Halifax and also the causeway at Canso. This is not new. It is not the first time that these matters have been brought before the house. I have been here for a number of years now, and I do not think a year has passed but that some hon. member from the maritime provinces has recommended that the main line of the Canadian National railway be double-tracked from Moncton to Halifax and from Moncton to Sydney. I do not suppose that there is any part of Canada where it is more needed than in the maritime provinces, as was suggested by the hon. member for Inverness-Richmond.

It is not my intention to ask very much for my own constituency. As a matter of fact the minister knows that my constituency is an inland one. We have no wharves or causeways or anything of that kind to request. I was much interested in the remarks of the hon. member for Wood Mountain, who just took his seat, and in his description of the railway station in his home town. I point out to the Minister of Transport that the Canadian National Railways have many old stations, and possibly I have as many in my constituency as are to be found in any other place in Canada. They are homely and ugly buildings. I would suggest to the minister that as soon as possible something should be done to replace these buildings. I would also suggest to him that when we have new buildings put up they be not of the kind described by the hon. member for Wood Mountain; they are more of the boxcar type of building. When the minister's department decide to build new railway stations, or when the Canadian National Railways decides to build them I suggest that they employ an architect so that we shall have good-looking stations. They do not cost much more and they add to the attraction of the countryside.

Last night and this evening mention was made of the merchant marine and the treatment which they have received. I do not apologize for mentioning it again, although I have spoken on it a number of times in the house. I have always felt that our merchant marine did not receive when the war ended, and have not received since, the justice to which they were entitled. In that connection the merchant marine is spoken of as the fourth branch of our service. I should like to quote what the Prime Minister so eloquently said yesterday in speaking of the debt that we owe to the different branches of the service. He said, as reported at page 4888 of *Hansard:*

> I am sure I speak for all hon. members when I voice feeling of thankfulness for the part which Canada was privileged to take in helping to preserve the freedom of mankind in that great conflict. We look back with tremendous pride on the part which our defence forces were able to take, along with those of allied and associated forces; the contributions made by our army, our navy, our air force and the merchant marine.

In his remarks yesterday the Prime Minister, I am sure, recognized the fact that the merchant marine was a branch of the services during the great war. In the remarks that he made yesterday I am sure he realized that they were on an equal footing with the other branches of the services.

Last evening the hon. member for Vancouver-Burrard covered this subject very well. He pointed out how this branch of the service was greatly discriminated against. I do not think anyone will question that statement. Tonight the hon. member for Queens-Lunenburg made mention of one particular. The hon. member for Gaspe also made mention of this fact. I am not going to emphasize this point particularly tonight, but I wish to call to the minister's attention what I consider the unjust treatment which these men have received.

Last night the minister spoke of the benefits which the merchant marine had received. I acknowledge that they have received some benefits, but they have not received benefits in any way commensurate with the services which they have given to this country. One of the chief complaints is the education of the younger men who joined the merchant marine. From my own part of the country there were many young men who, instead of joining the air force or the army, joined the merchant marine. Their services were needed. They were told that they were doing a

patriotic duty just as though they had joined some other branch of the service. Today, when these young men wish to attend university they do not get the $60 which is received by men who served in the other branches. Some of these young men were on ships which were torpedoed; they crossed the Atlantic during those very dark days. Today they sit beside young men in universities who were never outside Canada. These young men receive $60 a month, but the men of the merchant marine who wish to complete their education receive absolutely nothing. I contend, Mr. Chairman, that that is most unfair treatment.

Again, the minister last night spoke about the ten per cent bonus. I think he knows that not all the men in the merchant marine received this ten per cent bonus. The men who served in the allied ships did not, I believe, receive the ten per cent bonus, although these men were Canadians. Soldiers who served in allied forces received the same benefits as those who served in our own forces, but here again there is a great discrimination against these men who served this country so well.

The minister also spoke about the dental and medical treatment these men received. I think it is a well-known fact that the only dental treatment which was received by the men of the merchant marine was the extraction of teeth. There was no filling or other attention given to these men. Again, there are many older men in the merchant marine, men who were broken down after the hardships they encountered in the voyages across the Atlantic. These men are not allowed the privileges of the Veterans' Land Act unless they are pensioners. They are not allowed to purchase small holdings. The men of the merchant marine have not the benefit of the civil service preference, which I consider one of the greatest benefits that any man in any service could receive.

As I say, it is not my intention to elaborate any further on this matter. I have spoken of it before. I hope the minister and his department will give it consideration. Last year we in the veterans affairs committee expected that this matter would be given attention. I know the minister will reply that there was no promise made by him; but if he will read the report of the veterans affairs committee he will note that all through it there ran this idea, with good foundation—possibly not from the minister—that something would be done for these men. I will say to the minister that had the members of the veterans affairs committee known—and I know I speak for members of all parties—that these men would have to wait for two years and that they would receive such shabby treatment as I feel they are now receiving, they would have insisted in their meetings last year that something be done.

Mr. CROLL: I have just a few words to say about the merchant seamen. The statements which have now been made by the hon. member for Royal bear out my understanding of the intention of the committee on veterans affairs. I have had occasion to look at the record since then, and it appears to me —and I think the minister may agree—that the members were rather the victims of an unfortunate misunderstanding. What happened was this. We intended to give the merchant seamen treatment commensurate with that which was received by other branches of the service.

Mr. BROOKS: That is right.

Mr. CROLL: We were discussing it. It was rather late in the session, sometime in July. We had a great deal of work to do in the committee. About that time there appeared on the order paper a notice of motion in the name of the minister reading, "Leave to introduce a bill respecting compensation for merchant seamen." We had asked the minister or his department to deal with the problem, and we thought the minister had decided to do so.

Mr. CHEVRIER: No.

Mr. CROLL: I said, "we thought". We then appointed a sub-committee, and we specifically withheld from that sub-committee anything to do with merchant seamen. After the sub-committee considered the question and dealt with it, on July 17, 1946, the minister came before the house. He was asked to explain his bill, and we then found out for the first time that, instead of dealing with compensation, he was dealing with workmen's compensation.

Mr. BROOKS: That is right.

Mr. CROLL: As a matter of fact, the hon. member for Royal asked him a question on that day and we were all quite surprised at the answer he received. As reported at page 3533 of *Hansard,* the question asked by the hon. member for Royal was:

> Has this anything to do with gratuities and reestablishment credits for seamen who served during the war?

The answer given by the minister was: "Nothing at all." I appeal to the minister on the ground that an injustice is being done these men. He may very well say that it was our duty to bring in a report; but time

was running short then. We had to get our sub-committees organized. We had to bring our report in. Unfortunately we did not include merchant seamen. I agree entirely with the hon. member for Royal and the other members who have spoken, that we intended to include merchant seamen. What I say to the minister tonight is this. It does not make any difference whether it is the Department of Veterans Affairs or the Department of Transport which corrects the wrong, but one of the departments ought to do so. Since it is within the power of the Department of Transport, and since these people are peculiarly the charge of the Department of Transport, I think in all fairness the Department of Transport ought to correct the wrong.

Mr. CHEVRIER: I wish someone would clear up in my mind, and to my satisfaction, whose responsibility this is. When we had a discussion on this matter the other evening it was clearly stated, from the other side of the house and by more than one member, that this was a responsibility, not of transport, but of veterans reestablishment and benefits. This evening the hon. member for Spadina says that he thinks it is the responsibility of the Department of Transport. I am not trying to escape my responsibility, whatever it may be; but I am face to face with the position that the merchant seamen have not been considered as veterans in the same light and to the same extent as members of the armed services. If they had been, I take it that they would have been given the same benefits. Why? I have put on the record some of the reasons, and I do not want to repeat them tonight. But it is a fact that in the United Kingdom—and I think the position is the same in the United States, although I am not sure—they receive no reestablishment benefits. I am not arguing that we should do the same thing, but there is at least an example of what is done in that country. The hon. member for Spadina referred to his interpretation of the bill which was introduced by me last year concerning compensation for merchant seamen, and I shall not dispute what he said in that respect. That may have been his impression. I believe his interpretation may not have been inaccurate, but since that was done several other benefits were established to assist the merchant seamen. There was the act to which the hon. gentleman referred, granting compensation to merchant seamen for injuries, accident and death from 1945 on. Then the Minister of Labour brought in an amendment to the Unemployment Insurance Act, providing certain unemployment benefits for members of that group. Then vocational training was provided for members of the merchant navy, in their own calling, though it is true it did not go nearly as far as some hon. members would have wished. Then representations were made that they be included under the civil service preference, and my colleague the Secretary of State may have something to say in that respect.

I just wish to point out that the matter has been carefully considered. The other evening, during the discussion of the act to amend the Merchant Seamen's Compensation Act, the Minister of Veterans Affairs and I gave an undertaking that sympathetic and careful consideration would be given to the possibility of amending the Civilian War Pensions Act to cover cases prior to 1945. My colleague gave careful consideration to that point; he consulted with his officers, and they came to the conclusion that the position could not be met by an amendment to that act. It was stated that the act provided for ten different groups of civilians who served during the period of world war II, and in every instance entitlement to pension was conceded only when the disability or death was the result of enemy action or counter-action against the enemy, or the direct result of war service, and consequently to make provision for the position which was referred to at the time would be a serious departure in principle, because it would provide for claims which it is definitely stated would not be the result of direct enemy action or counter-action. That brought the matter down to the position discussed the other evening on the Merchant Seamen's Compensation Act, namely, that in view of the fact that this act was set up at the expense of the ship owners, both as to the cost of compensation and the cost of administration, it would be unjustifiable at this stage to ask the ship owners to pay into the fund money for accidents arising from 1939 to 1945.

Mr. BROOKS: That really is not what we are discussing. We are discussing the rehabilitation benefits, which is something entirely different.

Mr. CHEVRIER: I agree with the hon. gentleman. That is what I discussed a moment ago in reply to the hon. member for Spadina, when I stated the things that were done in the way of benefits for merchant seamen following the introduction of the act of 1946. That brought me to the statement made by my colleague the Minister of Veterans Affairs that he would give sympathetic consideration to amending the Civilian War Pensions Act to cover cases such as those brought up by the hon. gentleman, and I am stating that

this was considered carefully and specifically and that the decision was as I have given it to the committee.

Mr. KIDD: Under this item I should like to draw to the attention of the minister the matter of the Canadian National station at Kingston; and this is not the first time I have done so. Some twelve or thirteen years ago the Canadian National Railways definitely promised the city of Kingston a new station, but up to the present they have not fulfilled that promise.

Mr. CHEVRIER: Is the hon. gentleman correct in saying there was a promise to build a new station?

Mr. KIDD: Yes. It was made some twelve or thirteen years ago when they took off the early morning train to Toronto, and a sleeper that ran from Kingston to Toronto. However I believe something could be done to improve the service at that station. Just a week ago Sunday evening I happened to see an incident there which should not have occurred at all. A lady who had been in Kingston visiting her son in the hospital was returning to Toronto. The trains pull in there about six-thirty in the evening. Usually the fast trains are in two sections, and often there are three sections. This lady, not knowing what section her car was in was hurrying, with many others, across the tracks, which are not in very good condition. In doing so, she knocked the heel off her shoe and was thrown full length across those tracks; and she was not very young, either. The facilities at that point are not good. Those trains pull in perhaps with a couple of diners, two or three chair cars, with the first-class coaches at the rear. It is not unusual to find forty or fifty people hurrying to the rear or the front of the train in order to get seats. If it is raining these people have to stand in the rain and wait while forty or fifty other people get off the train. When they get on the train they are directed to the right; when they get there they find all the seats occupied. Then they have to pick up their luggage and walk through two or three or four cars looking for seats. I believe the company can improve present conditions, even if they cannot proceed immediately to build a new station. I believe they could help matters by opening more doors. It is not right to ask a lady carrying a suitcase to walk through four or five coaches in order to find a seat. I am not finding fault with the personnel of the trains. I believe they are the finest in Canada, and I pay tribute to them. But they are probably the oldest employees of the company, and I believe the Canadian National should give them some extra help. Plenty of boys who have come back from overseas are looking for positions today, and some of them would be glad to work on the trains.

I now want to bring to the attention of the minister a matter in reference to the upper St. Lawrence. Only a few days ago it was brought to my notice that out of the goodness of his heart one American who had a good dock had permitted some 130 boats to tie up at it. He did not have to do that, but because of the scarcity of good docks on the St. Lawrence he gave these people permission to do so. I have in mind particularly Cedar island, which is the first island out of Kingston. There used to be two docks there but during the war, perhaps on account of shortage of labour and material, they were allowed to fall into a state of disrepair. What applies to Cedar island applies to many other islands as well, and I should think something could be done about it. It would not be a costly matter to build a few docks in that area; I believe there are several carpenters or contractors who would welcome the job. We have many Americans coming to that district in boats, and there is no suitable place for them to tie up.

Then, I want to bring to the attention of the minister a matter having to do with the pilots who sail the upper St. Lawrence, down to Montreal. I brought one or two incidents to the attention of the department, and they were kind enough to rectify the mistakes that had been made. One of these pilots will board a boat in Kingston or Belleville and go to Montreal. He will arrive there late in the evening and take the midnight train back. These men are not employed during the winter months. Navigation opens on May 1, and they will take a boat down the river. They have not received any pay during the winter time. They will sign their card, leave it in the office, board the train and go back. Two or three months will go by before these men will get their pay cheques. I saw one of those cards. It goes through the office in Montreal, and I tried to rectify this.

But this should not occur. I believe there are forty of these men, and cases are piling up. I think those men should file their claims in duplicate. They are given only single cards. When one asks a man what claim he wishes to make, he has no card on his person. So I bring this matter to the minister's attention to be checked up. I have brought it to his attention personally, but it has been neglected.

Mr. CHEVRIER: I should like to say a word or two concerning the points raised by

the hon. member. With reference to Kingston station, the hon. member will understand that in 1947 the Canadian National Railways are not building many new stations. They are building some, such as the one at Edmonton, and one or two other points where conditions are such that they feel stations should be built. However, they do not propose to do any building in the Kingston area this year.

They have plans and specifications for a new station at Kingston. Just when or how soon it can be built, I do not know. That will depend upon materials, and matters of that kind. There are a number of things it is difficult to get. The position in my own constituency is very bad; almost as bad as, indeed if not worse than that in the constituency of the hon. member. But I can assure him that the situation is not being forgotten.

The other rather serious matter he brought up was with reference to pilots who complain they have to go quite some time before receiving their cheques. The hon. member knows, of course, that those cheques are not paid by the Department of Transport. Ship owners employ and pay the pilots. But the pilotage authority, who happens to be the minister, will certainly see that delay such as that does not occur. My officers who are here and who are familiar with the situation tell me this does not happen often, but only in a very rare case. I know the hon. member has brought the matter to my attention at least once before, I can assure him I shall have my officers communicate with the ship owners to make sure that it does not happen again.

Mr. POULIOT: I have just a word to say about the imposing delegation which called upon the minister to speak about the Temiscouata railway, which is in very bad condition. I have heard something said about the condition of different railways in Canada, but the Temiscouata railway is in the worst condition. All the facts have been laid before the minister. I shall not take any more of the time of the committee; the minister knows his business and I hope he will not forget the representations which were made to him some two months ago by the delegation which called upon him.

Mr. CHEVRIER: I can assure the hon. member I shall not forget the representations made by that imposing delegation.

Mr. POULIOT: Thank you.

Mr. HERRIDGE: Mr. Chairman, I should like to refer to a matter which has been of interest to members in my constituency for over forty years. I have spoken briefly about this matter, but I feel I must refer to it again this evening. I refer to the matter of bringing the Canadian Pacific railway steamers which operate on the Kootenay, Arrow and Slocan lakes under the act and thus under the jurisdiction of the board of transport commissioners. I mentioned this matter last session and I believe the minister replied that he would make inquiries.

I notice that in the 1946 report of the Board of Transport Commissioners for Canada these words are found at page 20:

> By amendments to the Transport Act in the year 1945, the board's jurisdiction was extended to all ships of over ten gross tons operating for hire and reward in the Mackenzie river watershed. The said amendments became effective on February 9, 1946, by proclamation.

I believe, from my knowledge of the subject, that the application to have these steamers brought under the board of transport commissioners is of much more recent date than the various applications made by numbers of organizations and representative bodies consisting of farmers, and those connected with industry and commerce in my constituency throughout the years.

Years ago, up to the time of the building of the Kettle Valley railroad we had a satisfactory steamer service. A passenger steamer went south every day and another passenger steamer came north. A third boat operated during the summer months to handle fresh fruits which went on to the Calgary and Edmonton markets.

Since the building of the Kettle Valley railroad, the service has gradually grown worse and worse. I believe I know the reason why. We are more or less of an orphan in transportation, so far as the Canadian Pacific Railway Company is concerned. Of course the Kettle Valley railroad wishes to divert as much traffic as possible for itself. Some years ago during the depression, an official of the Canadian Pacific Railway Company when asked the reason for our poor service said, "Well we do not want to split our tourist traffic that is going to lake Louise or to our coast hotels. If we advertise the Arrow lakes or improve the service the country is so beautiful that many people will not go on to the coast hotels and possibly would not stop as long at lake Louise."

We have no redress in the matter, nor have we any board to which we can appeal. I do not think it is right that these people should be asked to spend their lives and to invest their money over long periods of years in the

development of a country, and not have some security so far as transportation is concerned. Quite recently, through a misunderstanding of a post office inspector with regard to correspondence between the Canadian Pacific Railway Company and his department, letters were sent to a postmaster at an Arrow lake point, indicating that the Canadian Pacific Railway Company was likely to discontinue the passenger service on the lake. It was a mistake, of course, but the information in that letter was widely circulated throughout the whole district. I received letters from several, inquiring about the matter, because they know their position, so far as transportation is concerned, is insecure.

During the summer months, instead of a daily service north and a daily service south each day on the Arrow lakes we now have a bi-weekly service which has killed the soft fruits business, so far as the prairie market is concerned. You cannot pick strawberries and raspberries and leave them standing two or three days to wait for a steamer. They should be picked today and delivered the following morning. In the winter months the service is split because of the low water in the narrows above the swift water.

On the upper lake we have a tri-weekly service, which is not such a serious disadvantage in the winter months. In the lower lake we have what might be called a passenger tug, the *Columbia,* which has served the people who have lived there a good many years.

Quite recently—during the winter—I was on the boat for twelve hours in a small cabin eighteen feet long by ten feet wide. In it were housed twenty-two people, men, women and children. No food is served on the boat, and there is no other refreshment accommodation. That is not good enough passenger service for the people of the district. If an accident occurs during the winter months they are entirely dependent upon small launches to bring out those injured, and the same conditions apply to sudden illness.

When it comes to freight transportation, this very small and obsolete tug pushes a barge in front of it, on which carloads of fruit are loaded in winter weather. Because of the size of the boat it can handle only one carload at a time from landings to railhead. Fruit which has been picked and grown at great cost must be hauled in near zero weather on an open barge. As I said before in this session, hundreds of tons of hay were on order and the purchasers were waiting for it for months because this little tug and the small barge it pushes could bring only one carload of hay down the lakes at a trip. It is not good enough that these people who have developed the country, who have spent their lives and invested their money in the country, should be subject to the caprice of a railroad corporation so far as satisfactory transportation is concerned. I urge the minister to give this matter his serious consideration. What are the reasons for not bringing the Canadian Pacific steamship service on the Kootenay, Arrow and Slocan lakes under the act and thus under the jurisdiction of the board of transport commissioners?

Mr. CHEVRIER: The answer is set out clearly in the Transport Act, which states that the jurisdiction of the board of transport commissioners with reference to steamers over the tonnage referred to applies only to the Mackenzie river area.

Mr. BURTON: Mr. Chairman, the greater part of the evening has been spent in asking for the filling in of transportation gaps here and there across the country. I should like to bring to the attention of the minister a matter which no doubt his officials have been aware of for a considerable number of years. This matter has been allowed to go on all that time without receiving proper consideration and I feel obliged to bring it to the attention of the minister tonight.

The old Canadian Northern main line from Winnipeg to Edmonton and on to Vancouver runs east and west through the centre of Humboldt constituency. When the Canadian Northern was in operation there was a daily passenger service on that line on week days and Sundays. After the amalgamation with the Canadian National Railways, that stretch of line was more or less relegated to the position of a branch line; at least it has received only branch line service. The result is that there is no passenger or mail service on that old Canadian National line on Sundays. Train No. 9 leaves Winnipeg on Saturday nights, but it goes only as far as Dauphin, and from there on to Saskatoon there is no service on Sundays on that line. I am also given to understand that on the greater part of that line, if not all, a similar condition exists with reference to service from the west. After the amalgamation to which I referred took place, instead of the trains running through to Edmonton the passenger service was switched to run from Humboldt to Saskatoon and from there to Calgary. I understand that the train from the west comes through on Saturday nights and then makes a turn-about which leaves a gap in the service.

That is bad enough, but something else has occurred through the years which is of more concern to the people. A considerable amount of the freight that originates on the old Cana-

dian Northern lines is diverted and sometimes back-hauled to Saskatoon in order to send it over the Grand Trunk line. The men who work on the Canadian Northern line and the people who are depending on that service feel that they have a grievance. If it were not for the lateness of the hour and the fact that these estimates have been brought down so late in the session I would be prepared to give the minister facts and figures on the freight that originates on these lines of the old Canadian Northern. We contend that we should at least have sufficient trains and train crews to handle the freight which originates there, instead of its being back-tracked in some cases over the line originally known as the Grand Trunk.

As I said, it is not my intention to delay the work of the committee and I will keep my word. But I urge the minister and the department to give this situation considerable consideration throughout the year. If he wishes to have further information I am sure that the boards of trade and other interested parties in the different places between Dauphin and Saskatoon will be ready to cooperate with me in supplying him with what information he may require as to both the desirability of Sunday passenger service and correcting the other matter to which I have referred.

Mr. McLURE: I have always spoken on this item, but I do not intend to say much this evening. For many sessions I have agitated in connection with a ferry system, a ferry boat and freight rates. On Saturday last I was invited, along with many others, to witness the christening of the wonderful boat at Sorel, the S.S. *Abegweit*. I want to say to the minister that I hope he will have an opportunity to repeat some of the speech he made at that christening, in order that hon. members may know what a wonderful boat has been built in Canada. We are grateful to the department and the minister for having had this boat completed. I am sure that I annoyed the minister a great many times by nagging at him to have this boat built. We now have for our ferry system the largest boat of its type in the world, a boat built in Canada by the government, by Canadian workmen.

Mr. GRAYDON: A great boat for a great island.

Mr. McLURE: Correct. I speak on behalf of the people of my province when I say that we bring to him 88,000 thanks for this boat. As I say, I hope that a little later on the minister will be able to say something about this boat.

Mr. CAMPBELL: I have two questions I should like to ask the minister although, in view of the statement he made, it is not necessary for me to say very much. He did not say what would be done in connection with the branch line from St. Walburg to Bonnyville. Will that be in the same category as the line from Heinsburg to Frenchman Butte?

Mr. CHEVRIER: There is a difference between the two.

Mr. CAMPBELL: Will the St. Walburg-Bonnyville line have the same priority as the Heinsburg-Frenchman Butte line?

Mr. CHEVRIER: It will be given consideration when the Canadian National railway decide to set up a branch line programme. But there are conditions in the Heinsburg-Frenchman Butte area which are more favourable than those in the other area. This does not mean that the other area will be forgotten. It will be considered along with the others.

Mr. CAMPBELL: Last year the minister told us that the report of the Canadian National Railways was more favourable to the other.

Mr. CHEVRIER: No, I do not think I said that. I certainly did not have that in mind. The development of a salt mine in the former area gives it a more profitable aspect at this time. I do not want to rule out the other. It will be considered along with the others.

Mr. CAMPBELL: Is there any prospect of a new station in the city of North Battleford?

Mr. CHEVRIER: No provision is made for it in the 1947 estimates.

Item agreed to.

Administration of the Transport Act—

403. Board of Transport Commissioners for Canada—administration, maintenance and operation, $430,464.

Mr. HERRIDGE: Would the minister consider bringing in an amendment to the act to bring the C.P.R. steamers on the Kootenay-Arrow lakes under the jurisdiction of the board of transport commissioners? If not why not?

Mr. CHEVRIER: I shall be glad to give consideration to amending it. That is as far as I can go.

Mr. FRASER: On page 235 of the details the position is mentioned of official car porter and court crier. What does he do?

Mr. CHEVRIER: He is the official car porter on the car of the transport board commissioners. He does that work when the car is in use. He also works in the office of the board.

Mr. FRASER: Why do you call him court crier?

Mr. CHEVRIER: That is part of his title.

Mr. FRASER: Have they a court?

Mr. CHEVRIER: Yes, it is a court of record.

Mr. SHAW: I understand, Mr. Chairman, we are on item 402.

The DEPUTY CHAIRMAN: Item 402 was passed, but if the hon. member wants to refer to it he can do so by consent of the committee.

Some hon. MEMBERS: Agreed.

Mr. SHAW: I should like to revert to item 402, but it is quite possible that what I have to say can be dealt with on item 403. It involves the question of railway abandonment and a subsequent appeal from such action on the part of the board of transport commissioners. It would be very easy to rule me out of order if I raised that on item 403.

Mr. CHEVRIER: We have been almost four and a half hours on the first item, and I wonder if my hon. friend would raise his question on the item for railway service.

Mr. SHAW: I shall be only too pleased to do that, provided that I am given the assurance that leeway will be allowed.

Mr. CHEVRIER: I give that assurance now.

Mr. SHAW: I hope the Chairman heard that.

Item agreed to.

Canals service—
404. Canals service—administration, $57,900.

Mr. WINTERS: On a question of privilege, Mr. Chairman, I should like to correct something that went on earlier this evening. When I was speaking on item 402 and urging the minister to extend the merchant marine special bonus to seamen serving on fishery patrol boats, apparently the minister understood—I have just seen his remarks in *Hansard*—that I was dealing with men serving on fishing vessels. That was not the case. I was dealing with men on fishery patrol boats operated by the Department of Fisheries.

Item agreed to.

[Mr. Fraser]

Canals service—
405. Canals — operation and maintenance, $3,119,080.

Mr. FRASER: I just want to say to the minister that a real good job was done fixing up the Rideau canal here in Ottawa, but there is still a section that needs fixing up which I hope he will have looked after, because it looks very bad to all coming in on the train.

Last year I spoke of weed-cutting on the Trent canal. Is it not possible for the department to do something along this line? It means a great deal to the tourists coming into that section.

Mr. CHEVRIER: These weeds are cut on the main channel only.

Mr. FRASER: I have had requests from Keene down to Rice lake. That whole lake is filled with United States tourists from whom we get a lot of money, and they go up there in their outboard motors to buy supplies. I think it would be good business to have the weeds cut.

Mr. CHEVRIER: I will bring the matter to the attention of the director of canals.

Mr. STOKES: In front of No. 6 dam on the Trent river a large body of material has accumulated. It is composed of rock, not very thick in dimension, which has been raised by the frost over a period of years, until there is now quite a bit right in front of the dam. As a result, the water is diverted to the west side of the river from the centre, where it should flow, and does serious damage to valuable garden lands. Cannot something be done about that?

Mr. CHEVRIER: I shall be glad to look into it.

Mr. McKAY: What is the cost of maintenance of the Rideau canal?

Mr. CHEVRIER: In round figures, $140,415 for operation and $97,000 for maintenance.

Mr. FRASER: Would the minister give the same figures for this year and last for the Trent canal?

Mr. CHEVRIER: In round figures, last year, $201,000 for operation; maintenance, $75,000, improvements, $102,000, or a total of roughly $378,000.

Mr. FRASER: What are the figures for this year?

Mr. CHEVRIER: Operation, $240,000, and maintenance, $92,000.

Mr. MacINNIS: Does any revenue come to the government from the operation of the Rideau canal?

Mr. CHEVRIER: Yes, there is some.

Mr. MacINNIS: Does the minister know what it amounts to?

Mr. CHEVRIER: No, but I will get that in a moment.

Mr. MacINNIS: Perhaps this question will be answered when I get the answer to the other one. What economic or commercial purpose does the canal serve?

Mr. CHEVRIER: It is a connecting link between the river St. Lawrence and the Ottawa river.

Mr. MacINNIS: A connecting link for what?

Mr. CHEVRIER: For tourist traffic and for lighter craft using it during the season. Boats of a certain tonnage operate through it.

Mr. MacINNIS: How many boats went through it last year?

Mr. CHEVRIER: My hon. friend asked about the revenue. It was $15,000. I will get the number of boats going through the canal in 1946 in a moment.

Item agreed to.

Canals service—

408. To provide for the carrying out of flow measurements and other expenses connected with the department's supervision and control over the hydro-electric power development of the Beauharnois Light, Heat and Power Company, Limited, $2,500.

Mr. MacNICOL: It will be observed that the amount voted on canals is $3,577,100, and not one dollar of that is for any canal in the west. I know that the minister has an inquiring mind. I have been greatly pleased with the way in which he looks after his department. I suggest to him that between now and the next session he look into the question of the canalization of the Saskatchewan river which would be a project for some future time. It is a project that should be considered. As a preparatory inquiry into the subject by the minister I would suggest that he read over the speech made by the late Sir Wilfrid Laurier, his former leader, on the opening of the St. Andrew's locks when he said that he hoped to see the day when boats would leave Winnipeg and go through the St. Andrew's locks up to lake Winnipeg and on up the Saskatchewan river as far up as Edmonton. That was a great vision. The then minister of public works endorsed what the then prime minister said, and he too planned to canalize the Saskatchewan river. It is a great river but it just runs loose. There is little shipping on it at the moment, but there should be. It is important that the matter be looked into, because at the present time there are only two low-level railway bridges across the river between the mouth at Grand rapids and Edmonton itself. That is as far as I know, and I have been up and down it. There is one at The Pas and the other at Prince Albert. If the river is ever to be made navigable, as it should be, it is time to look into the matter so that navigation will not be obstructed by bridges at water level.

In my opinion the river should be canalized. If it were it would be one of the greatest tourist routes in the world. The river route, including lake Winnipeg, is about 1,200 miles long from Winnipeg to Edmonton. I am not just in accord with the route proposed in the days of the late Sir Wilfrid Laurier, namely, via ascending the river from Grand Rapids. I am not opposed to that being also provided, but I would suggest that the route from lake Winnipeg be by way of the Dauphin river, lake St. Martin, lake Manitoba, lake Winnipegosis and into the Saskatchewan river at Cedar lake and then on west. In his spare time when he is inquiring into what he should do as Minister of Transport for that great country, for which nothing has been done yet so far as navigation is concerned, as his estimates will show, I suggest that he inquire into the problem of the canalization of the Saskatchewan river and a water route from Winnipeg to Edmonton. It could be a profitable route. The department has ample specifications and reports on hand. The department has on its files, back to the time of the late Mr. Pugsley, the late Hon. Robert Rogers, and particularly his former leader, one of the great Canadians, none greater, the late Sir Wilfrid Laurier, reports on this project. I always refer to Sir Wilfrid Laurier's speech as a great vision. I have read the speech he made at the opening of the St. Andrew's locks and it inspired me to try to inquire into developing transportation on that great river.

As I say, there is not one dollar in the estimates for western canalization. Here is a great river the canalization of which had been planned many years ago. I am going to suggest to the young minister, not young in years but in service in the government, a minister who has an inquiring mind and, I am convinced, a desire to serve the country that, after looking into the estimates and observing nearly $4 million for eastern canals and not one dollar for western canals, he inquire himself, because he and I and everyone else down here in the east, want to invite the support of the western provinces in the seaway canalization of the St. Lawrence waterways. We want unity throughout Canada so that Canada will rally behind the proposed St. Lawrence seaway, which will merit

the west rallying behind it, because it would be just as beneficial to them through the shipment of wheat at lower rates and other western commodities to European markets. I suggest to the minister that he keep before him the idea of the canalization of the great river with regard to which Sir Wilfrid Laurier said, in language that no other Canadian orator could use, that he could see modern ships going up and down the river from Edmonton to Winnipeg. I suggest that the minister take the matter under his own observation and consult his engineers. He will find all the facts and figures there. I myself have looked over them several times with great interest. Probably he could get a big motor boat at The Pas and go up the river himself. I have been up and down much of the river. I took a delight in surveying the Saskatchewan river. This is just a suggestion primarily to show the western people that we are trying to do something for them and to assist them in getting behind the projected St. Lawrence deep waterways.

Mr. STEPHENSON: I do not see an item under which I can ask the question I wish to ask. I should like to refer to such places as Rice lake and lake Scugog. Weeds have grown to such an extent in these lakes that it is pretty nearly impossible to get boats in and out from the docks. What department of government will give any assistance to clean up these lakes?

Mr. CHEVRIER: The Department of Transport looks after canals. The canals administration has to do with the cutting of weeds in the main channels but not outside the channel.

Mr. STEPHENSON: That is the difficulty. Will the government give assistance to assist people to cut these weeds? What department of government will give any assistance?

Mr. CHEVRIER: These weeds are not growing on federal property. It is not our responsibility. If they are growing on federal property it is their responsibility. The weeds that my hon. friend refers to are not on our property.

Mr. STEPHENSON: I should like the minister to give me some information as to where we can get some help. Is there any department of the dominion government which will give assistance in this case?

Mr. CHEVRIER: It is a provincial matter.

Mr. STEPHENSON: Strictly a provincial matter?

Mr. CHEVRIER: Yes.

Item agreed to.

Marine service—

415. Maintenance and repairs to wharves, $5,000.

Mr. DROPE: This item has to do with wharves. There are a lot of wharves on Rice lake and some are in need of repair. They are really in bad condition. Nothing has been done this spring toward fixing them up. Apparently there is a small maintenance crew for this job. Our tourist season is open now and yet the wharves are in a deplorable condition in this part of the lake. Will the minister say whether they are to be repaired?

Mr. CHEVRIER: I am not familiar with the repairs that the hon. gentleman has in mind. If they are small repairs, repairs which would involve little expense they come under this department; otherwise they come under the Department of Public Works. If the hon. member will bring the matter to my attention I shall look into it.

The answer to the question of the hon. member for Vancouver East with reference to boats on the Rideau canal in 1946 is as follows: 135 exceeding forty feet in length and 16,382 vessels using ships' reports, including pleasure craft.

Progress reported.

Item agreed to.

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

END OF VOLUME V